

IN THE DISTRICT COURT OF GUAM
TERRITORY OF GUAM

UNITED STATES OF AMERICA,)	Criminal Case No. 18-00010
)	
Plaintiff,)	
)	
vs.)	
)	
JOHN D. WALKER, et al.,)	
)	
Defendants.)	

TRIAL TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE FRANCES TYDINGCO-GATEWOOD,
CHIEF JUDGE
MAY 9-10, 2022; 12:57 P.M.
HAGATNA, GUAM

Continued Testimony of Marvin Reed

(Jury Trial Excerpt)

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Carmen Santos, Clerk

Emily Brown, Law Clerk

Peter Perez, Law Office of Peter Perez

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I N D E X

	<u>Direct</u>	<u>Cross</u>	<u>Redirect</u>	<u>Recross</u>
<u>GOVERNMENT</u>				
<u>WITNESS:</u>				
Marvin Reed			202	10 (MM) 26 (EM) 269 (MM)

EXHIBITS:

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1 May 9, 2022; 12:57 p.m.; Hagatna, Guam

2 * * *

3
4 THE COURT: How is everybody doing? We'll go
5 ahead and call the case.

6 THE CLERK: Good afternoon, Your Honor. This is
7 Criminal Case No. 18-00010, *United States of America versus*
8 *John D. Walker and Hansen Helicopters*; Continued jury trial.

9 Counsel, please state your appearances, beginning
10 with the government.

11 MR. LEON GUERRERO: *Buenas* and *hafa adai*, Your
12 Honor. Stephen Leon Guerrero on behalf of the United States.
13 Also present are Special Assistant U.S. Attorneys, Marie
14 Miller and Samantha Miller.

15 MS. M. MILLER: *Hafa adai*, Your Honor.

16 THE COURT: *Hafa adai*, good afternoon.

17 MR. MARTIN: Good afternoon, Your Honor. Mack
18 Martin, appearing on behalf of Jon Walker, who is also
19 present.

20 THE COURT: Good afternoon and *hafa adai*,
21 Mr. Martin and Mr. Walker.

22 MR. MCCONWELL: Good afternoon, Your Honor.
23 Edward McConwell, Laura McConwell, and Edward Hans, appearing
24 for Hansen Helicopters.

25 THE COURT: All right, very well. You may be

1 seated. Thank you.

2 This is what I was going to give to the jurors
3 and see if there is any objections or concerns. I was going
4 to say, as you may have noticed, Phillip -- defendants, excuse
5 me. As you may have noticed, excuse me, Defendant Phillip
6 Kapp is not present. I have severed him from the trial;
7 meaning, I have taken him out of this trial because he has
8 fallen seriously ill and cannot stand trial at this time.

9 Defendant Kapp will have his trial separately at
10 a later time. Defendant Kapp's former lawyers, Mr. Ed
11 McConwell and Ms. Laura McConwell, will now be representing
12 Defendants Hansen Helicopters, alongside Mr. Han. They are no
13 longer representing David[sic] Kapp. Please do not hold David
14 Kapp's severance against the prosecution or either of the
15 defendants left remaining in this courtroom.

16 Yes?

17 MS. MCCONWELL: Your Honor, it's Phillip Kapp.

18 THE COURT: Phillip Kapp; what did I say?

19 MS. MCCONWELL: David.

20 THE COURT: All right. I meant -- I --

21 MS. MCCONWELL: It's not on my sheet, but I just
22 want to make sure --

23 THE COURT: Oh, I put -- oh, it says Phillip.
24 David, it should say David Kapp, okay.

25 MS. MCCONWELL: It's Phillip Kapp.

1 THE COURT: David Kapp.

2 MS. MCCONWELL: No, it's Phillip Kapp.

3 THE COURT: I do have Phillip Kapp here. I have
4 Defendant Phillip Kapp. Did I say David?

5 MS. MCCONWELL: Yes, ma'am.

6 THE COURT: That was my mistake, then. I have
7 David Kapp -- I mean, Phillip Kapp. All right, all right.
8 I'm still jet lagged, okay? I just got in from DC. I'm just
9 joking, but I probably really am. All right.

10 Defendant Phillip Kapp for the last time. I got
11 it right, all right. Any objections to this instruction,
12 Mr. and Ms. McConwell? Or additions?

13 MS. MCCONWELL: No, ma'am.

14 THE COURT: Prosecution?

15 MS. M. MILLER: No objection, Your Honor.

16 THE COURT: All right, very well. Ready to
17 proceed?

18 MS. M. MILLER: Yes, Your Honor.

19 MR. MARTIN: Yes, Your Honor.

20 THE COURT: And who is the next witness? Who --

21 MS. M. MILLER: Mr. Reed.

22 THE COURT: Mr. Reed. Okay. Do you want to come
23 on up, Mr. Reed. Why don't we get you up here, and I'll
24 remind you. You're still under oath. And then all the jurors
25 are present. They have been informed, and I will inform them

Recross - Reed

1 as well regarding the mask lifting. The Court has lifted the
2 mask requirement in the District Court of Guam pursuant to
3 Governor Lou Leon Guerrero's latest executive general order --
4 executive order. All right. Thank you, sir.

5 Are you comfortable? Is that the chair -- that
6 chair is okay?

7 THE WITNESS: It's okay.

8 THE COURT: Do you want a pillow?

9 THE WITNESS: No, it's fine.

10 THE COURT: No, I'm talking for your back.

11 THE WITNESS: No, it's fine.

12 THE COURT: All right, because sometimes...
13 We'll go ahead and call in the jury.

14 (Pause for jurors.)

15 THE COURT: Is somebody calling the jury? Can
16 you check.

17 (Side discussion with Mr. Perez.)

18 THE COURT: Could be 6:00 next time, team.
19 Hopefully, we don't have too many motions.

20 MS. MCCONWELL: I haven't just arrived, that 6:00
21 is just great.

22 THE CLERK: Jurors entering.

23 (Jury in at 1:02 p.m.)

24 THE COURT: Please be seated, everyone. *Hafa*
25 *adai*, everyone. How are you doing, ladies and gentlemen of

1 the jury?

2 THE JURY: Good.

3 THE COURT: Glad we are still intact, still
4 together, even though we were apart from each other for what,
5 six weeks, was it? So I appreciate you all staying healthy
6 and everything.

7 I do want to let you know as you -- probably
8 already officially, the Court has followed Governor Lou Leon
9 Guerrero's mandate that, if you want to, you may go ahead and
10 take off your mask here at the District Court. That's
11 optional. And if you want to keep it on, keep it on. No
12 problem. Some people feel more comfortable, especially if
13 they have already been vaccinated and had their booster shot
14 and so forth. So that is the first order of business.

15 Second thing is: As you may now have noticed,
16 Defendant Phillip Kapp, who was seating here next to
17 Ms. McConwell, is no longer present. I have severed him from
18 the trial; meaning, that I have taken him out of this trial
19 because he has fallen seriously ill and he cannot stand trial
20 at this time.

21 Defendant Kapp will have his trial separately at
22 a later time with a different jury, not with you. Defendant
23 Kapp's former lawyers, Mr. Ed McConwell and Ms. Laura
24 McConwell, who are seated here to my left over here at Counsel
25 table, they will now be representing Hansen Helicopters,

1 alongside Mr. Han. And, you know Mr. Han.

2 Mr. Han, do you want to raise your hand? Yup.

3 And then Mr. McConwell and Ms. McConwell, if you
4 can raise your hand. They are no longer representing
5 Defendant Kapp, as I indicated. Please do not hold Defendant
6 Kapp's severance against the prosecution or either of the
7 defendants left remaining in this courtroom. So the remaining
8 defendants are Jon D. Walker.

9 If you can raise your hand?

10 Mr. Walker is represented by Mr. Martin. And the
11 corporation of Hansen Helicopters are represented by Mr. Han,
12 and Mr. Han's already raised his hand. So those are the two
13 remaining defendants in this courtroom, and that's who you're
14 going to focus on in this trial -- the evidence, you'll be
15 focusing on those two defendants, in particular.

16 All right, ladies and gentlemen, we will continue
17 on with the examination of -- where were --

18 We were with you, Mr. Martin, right?

19 MR. MARTIN: Right, Your Honor. We recessed and
20 I was supposed to come back and things changed.

21 THE COURT: Thank you, sir, and welcome back,
22 Mr. Martin. You may proceed.

23 MR. MARTIN: Thank you, Your Honor.

24 THE COURT: Okay. Now, if any of you have any
25 problems hearing any of the lawyers or the witness, please

1 raise your hand, so I want you to be sure you hear them, okay?
2 You may proceed, sir.

4 RECROSS-EXAMINATION

5 BY MR. MARTIN: (CONTINUING)

6 Q. Mr. Reed?

7 A. Yes, sir.

8 Q. Isn't it true the government is withdrawing its
9 immunity offer with you because of your perjury before this
10 jury?

11 A. I don't understand.

12 Q. You have an agreement with the government; don't you,
13 Mr. Reed?

14 A. Yes.

15 Q. Have you not been informed by the government that
16 they are withdrawing this immunity agreement from you because
17 of the perjury you have committed before this jury?

18 A. I have not been advised.

19 Q. I'm sorry. I can't hear you, sir.

20 A. I have not been advised.

21 Q. Do you know whether or not your lawyer's been advised
22 that the government is revoking your immunity agreement
23 because of the perjury you've committed before this jury?

24 A. I don't know.

25 Q. So if I've been told that, you're telling me you have

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1 not?

2 A. I have not.

3 Q. Can you tell me, sir, when is the last time you
4 talked to the government about this immunity agreement you
5 have?

6 A. The last time we were in court.

7 Q. So six weeks ago?

8 A. Yeah.

9 Q. So as of Friday, when I was advised this was being
10 revoked, you've not been advised that?

11 A. No, I have not.

12 Q. Ms. Miller has not advised you of that?

13 MS. M. MILLER: Objection, Your Honor. I'm going
14 to move to strike Mr. Martin's statements.

15 First of all, Mr. Martin is not a witness. He
16 asked the witness a question, the witness said he doesn't
17 know, now Mr. Martin is testifying to hearsay. So I'm going
18 to move to strike his questions and his comments.

19 MR. MARTIN: My question, Your Honor, was whether
20 or not Ms. Miller had told him that. That's not hearsay.

21 MS. M. MILLER: How would this witness --

22 THE COURT: Excuse me, but that calls for
23 hearsay.

24 MR. MARTIN: I didn't ask him the contents of it,
25 I asked him if he's been told that, Your Honor. If I ask him

1 the contents of it, that's different.

2 THE COURT: I don't know about that. It's still
3 calling for hearsay, because if he says one answer, it means
4 he's -- he has received -- the objection will be sustained.

5 MR. PEREZ: Your Honor?

6 THE COURT: I'm sorry, the objection will be
7 overruled.

8 MR. PEREZ: I request a bench conference.

9 THE COURT: Okay. Ladies and gentlemen, you know
10 what, I'm going -- we're going to take a recess right now.
11 Because I don't want you to have to -- this was unexpected and
12 so let me try to sort this out with the lawyers.

13 So ladies and gentlemen, Counsels, everyone,
14 please rise for the jury. We'll take a -- hopefully, only
15 15-minute recess. Enjoy your coffee or -- I hope we have a
16 snack in there for you or something.

17 (Jury out at 1:08 p.m.)

18 THE COURT: Well, okay. Mr. Perez, you wanted to
19 make an objection, you may -- you could grab a -- go up to the
20 podium, sir.

21 MR. PEREZ: May I confer with Counsel first?

22 THE COURT: Yeah, go ahead. Go ahead.

23 MR. MARTIN: Which one?

24 THE COURT: Well, not you. He's walking to her.

25 MR. MARTIN: I wasn't sure, Your Honor.

1 THE COURT: Yeah, me too. I was sure, I guess.

2 (Ms. M. Miller and Mr. Perez conferred.)

3 MR. PEREZ: I withdraw the request. I just
4 needed to verify whether that was true.

5 MS. M. MILLER: And I think before the jury comes
6 back, Your Honor --

7 THE COURT: Well, let's sort this out because --

8 MR. MARTIN: And that is true.

9 THE COURT: -- that was a blockbusting bomb that
10 just landed in my courtroom.

11 MS. M. MILLER: This weekend I met with
12 Mr. Martin to discuss further plea discussions regarding
13 Mr. Walker. And in those plea discussions, a number of things
14 came up that I'm sure Mr. Martin does not want me to share
15 with the Court or with Mr. Walker sitting here; however, one
16 of the other issues that came up was Mr. Reed still being on
17 the witness stand, Mr. Reed still testifying, and the fact
18 that Mr. Reed answered questions affirmatively for me and then
19 answered questions affirmatively for Mr. Martin, and I made
20 the comment that perhaps the immunity agreement with Mr. Reed
21 wasn't really an immunity agreement that was going to be worth
22 much because Mr. Reed kept flip-flopping on his answers.

23 However, the government has not withdrawn the
24 immunity agreement that we have with Mr. Reed. If the
25 government did do that, the first person the government would

1 have contacted would have been Mr. Perez. We are waiting to
2 see how Mr. Reed's testimony develops in front of this jury.

3 THE COURT: Okay.

4 MS. M. MILLER: Any discussions beyond that were
5 in furtherance of plea negotiations.

6 THE COURT: Okay, fair enough.

7 MR. MARTIN: May I respond, Your Honor? Sorry,
8 Your Honor, I'll turn my mic on, too.

9 THE COURT: That's okay, I can hear you right
10 there, unless you're going to walk around.

11 MR. MARTIN: I tend to do that sometimes.

12 THE COURT: I know that, yes.

13 MR. MARTIN: Ms. Miller and I met Friday, Your
14 Honor, at the Hyatt to discuss things about Mr. Walker's case.

15 THE COURT: Right.

16 MR. MARTIN: Prior to the substantive discussions
17 about plea negotiations, we discussed two things: One was
18 involving Mr. and Ms. McConwell and their participation
19 representing Hansen; and secondly, Ms. Miller advised me that
20 the government was revoking Marvin Reed's immunity agreement
21 because of the perjury he had committed during his testimony.

22 I asked what she meant by that statement, and she
23 advised that he answered one way during direct and the
24 opposite during cross-examination, and that because of that,
25 he committed perjury and the agreement would be revoked for

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1 those perjured answers.

2 She further indicated that then she did not think
3 he was the sharpest person in the world. At the conclusion of
4 our discussion, that lasted approximately an hour, Your Honor,
5 Ms. -- I again asked Ms. Miller about the immunity agreement,
6 and she reaffirmed that the immunity agreement with the
7 government was begone because of the perjury in this pending
8 trial.

9 Those statements were made to me. I immediately
10 went to my room with my notes and memorialized everything that
11 was said, because in that was certain things I had to talk to
12 Mr. Walker about. But I have a very, very candid memory of
13 everything that was said to me by her, and that's the best
14 recollection I have. I wrote it down virtually verbatim.

15 THE COURT: So hold on a second, Ms. Marie
16 Miller, okay? Both of you. Let's assume you believe what you
17 believe is true -- to be true and she believes what she
18 believes to be true, if this was in the spirit of plea
19 negotiations --

20 MR. MARTIN: It wasn't.

21 THE COURT: -- well, at least according to her it
22 was.

23 MR. MARTIN: Well, let me go back to my notes.

24 MS. M. MILLER: He just affirmed that they were,
25 and it was in the context of what his client would have to do

1 in terms of substantial assistance.

2 And like I said, I don't think this is
3 appropriate for us to have this discussion in open court. We
4 can.

5 THE COURT: No, no.

6 MS. M. MILLER: So if Mr. Martin wants to waive,
7 because that's what he's doing right now, the government is
8 more than happy to go into every piece of the discussions that
9 we had about Mr. Walker.

10 THE COURT: Let me just say this: I don't need
11 to hear all this, I don't want to hear all this. All I care
12 about right now is moving the trial. So putting all that
13 aside, my point is, Mr. Martin, you have your recollection --
14 and I'm not going to sit here and judge it, because I'm not
15 going to have, like, a 20-hour marathon hearing on this,
16 number one -- and she has her recollection, okay? So it's, he
17 said, she said, he said.

18 MR. MARTIN: Well, let me make --

19 THE COURT: Wait, wait. So my point is -- let me
20 just finish. So my point is: When it's all said and done,
21 the United States Attorney's Office has not submitted a formal
22 withdrawal or actual withdrawal of the immunity agreement.
23 I'm pretty sure if Mr. Peter Perez knew it, if he knew it,
24 which obviously he says -- I mean, obviously he went to
25 confirm that there has been no formal withdrawal, then there

1 is no formal withdrawal.

2 I'm pretty sure Mr. Perez would not have let his
3 client come up here if he knew that there was a formal
4 withdrawal of the immunity agreement that was communicated in
5 any way to anybody.

6 MR. MARTIN: And my --

7 THE COURT: So again, I'm not sitting here
8 judging either one of you. I'm just saying, let's move on.
9 Go ahead. Last word, five seconds. Go.

10 MR. MARTIN: Before we ever got into the
11 discussions that we're not going into, Ms. Miller wanted to
12 tell me two things, and those were the two things, then we
13 went into those other discussions, and it's very clearly
14 dictated.

15 I intended to go into this in much greater detail
16 on cross-examination, Your Honor.

17 THE COURT: About the no -- the non-immunity
18 agreement -- I mean, the withdrawal of the immunity agreement?

19 MR. MARTIN: When the government tells that to
20 me, Your Honor, I'm entitled to go into it because it affects
21 his credibility.

22 MS. M. MILLER: Your Honor, the witness has
23 already said he knows -- he wasn't present when I was having
24 plea discussions with Mr. Martin. And this was all in the
25 context of Mr. Walker cooperating with the government against

1 his co-defendant.

2 MR. MARTIN: No, it was not, Your Honor.

3 MS. M. MILLER: Yes, it was.

4 THE COURT: Hold on.

5 MS. M. MILLER: The best evidence of this is the
6 immunity agreement hasn't been withdrawn.

7 THE COURT: Okay, okay, okay. Mr. -- what's your
8 offer of proof; what do you want to ask him? I don't think
9 I'm going to allow you to ask him any questions or discussions
10 between yourself and Ms. Miller, that's not appropriate.
11 You've already asked him and he's already said, "my immunity
12 -- I don't know anything about my immunity agreement being
13 withdrawn," so I think you've already raised the specter of
14 something. The jurors have already heard that, "I didn't know
15 that's going to happen to me," so I don't think you need to go
16 down those steps.

17 You know your biggest -- as you know, Mr. Martin,
18 you're more experienced than a lot of people in this
19 courtroom. Your biggest -- you know what your biggest asset
20 would be with regard to this argument, and it's in -- as in
21 closing arguments? If the witness has been inconsistent, I'm
22 sure you're going to take it away and run with it during
23 closing. And yeah, so...

24 So my point is: What other offer of proof do you
25 have? I just don't think it's proper.

1 MR. MARTIN: I have questions of him --

2 THE COURT: I.e.

3 MR. MARTIN: -- about the immunity agreement.

4 THE COURT: Oh, you can ask him about the
5 immunity agreement.

6 MR. MARTIN: Very good.

7 THE COURT: Go away -- fly away with the immunity
8 agreement, I don't care. But I'm just saying on this alleged
9 withdrawal issue, we're not going go into that.

10 Call in the jury.

11 Does everybody understand?

12 MR. PEREZ: Your Honor?

13 THE COURT: Mr. Martin, do you understand my --

14 MR. MARTIN: I do.

15 THE COURT: And Ms. Martin -- Miller? Martin?
16 Ms. Miller?

17 MS. M. MILLER: M.

18 (Laughed.)

19 THE COURT: All right. Yes, Mr. Perez?

20 (Mr. Perez and Ms. Miller conferred.)

21 MR. PEREZ: Your Honor, I just want to put
22 something on the record.

23 THE COURT: Yes, go ahead, Mr. Perez. Go ahead.

24 MR. PEREZ: Sorry, I didn't anticipate that this
25 was going to be brought up.

1 THE COURT: Me neither.

2 MR. PEREZ: So just, um... I requested further
3 assurances regarding my client's immunity agreement, and I
4 asked the government if I could put on the record that as of
5 today, based upon his testimony, they have no intention of
6 withdrawing the immunity agreement?

7 THE COURT: Okay, very well. And you would agree
8 with that, Ms. Marie Miller?

9 MS. M. MILLER: I do agree with that, yes. And
10 as I represented to the Court, if we withdraw the immunity
11 agreement, Mr. Perez is going to be the first one to know.
12 The statement about the immunity agreement was in furtherance
13 of plea discussions with Mr. Martin.

14 MR. MARTIN: That's a disagreement. We can quit
15 repeating that, Your Honor, that's in -- it's disputed.

16 MS. M. MILLER: So none of those plea discussions
17 should be brought up in court.

18 MR. MARTIN: There were no plea discussions.

19 MS. M. MILLER: Mr. Martin doesn't want this jury
20 or this Court or anybody here to hear statements that he made
21 about Mr. Walker.

22 THE COURT: Okay, very well.

23 MS. M. MILLER: So that's the whole point of plea
24 discussions.

25 THE COURT: Like I said, I don't care. I don't

1 want to hear about it. I shouldn't hear about it. It doesn't
2 matter. Judges should not be involved in plea negotiations,
3 especially if she's the trial judge.

4 MR. MARTIN: And these are not during plea
5 negotiations, Your Honor. That's a misrepresentation.

6 THE COURT: Even if it weren't in plea
7 negotiations, the fact is it's all hearsay and the Court's not
8 going to allow it. It is really being offered for the truth
9 of the matter asserted, so there is no way of getting around
10 that. Okay, let's call in the jury and we'll move right
11 along. Wow, what a way to start trial. I thought we were
12 having some --

13 MS. M. MILLER: I told Veronica there would still
14 be fireworks even without certain people here. (Laughed.)
15 Glad to see we haven't disappointed.

16 THE COURT: Well, you disappointed me, but I'm
17 not surprised.

18 Mr. Martin, how long do you have with this
19 witness, approximately?

20 MR. MARTIN: Your Honor, I promise you I will be
21 nothing near what Mr. Lujan would do. In all honesty, maybe
22 ten minutes, Your Honor.

23 THE COURT: Oh, that's it, ten minutes?

24 MR. MARTIN: Well, I went a little bit the last
25 day.

1 THE COURT: Okay, so ten minutes is good. We'll
2 call in the jury. You have your next witness ready to go?

3 MR. MARTIN: Well, Mr. --

4 THE COURT: That's right.

5 (Jury in at 1:20 p.m.)

6 THE COURT: You're the first attorney to cross,
7 right?

8 MS. M. MILLER: Actually, this is re-cross.

9 THE COURT: That's right. Let me get my bearings
10 straight. This is direct, cross, redirect, recross, okay.

11 MR. MARTIN: We went a little bit out of order,
12 Your Honor. If you recall, we didn't follow the standard way.

13 THE COURT: Who's next then? We'll figure that
14 out after you.

15 All right, please be seated.

16 Okay, ladies and gentlemen of the jury, the Court
17 apologizes, I had to take care of this legal issue, so we will
18 now proceed on.

19 Mr. Martin, you may continue on with the
20 examination of this witness.

21 BY MR. MARTIN: (CONTINUING)

22 Q. Mr. Reed, you have seen a copy of the immunity
23 agreement that you have with the government; you actually
24 signed it; isn't that true, sir?

25 A. That is correct.

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1 Q. And you understand that the government has the
2 absolute discretion to decide whether or not they believe you
3 are providing false or misleading statements or committing
4 perjury to this jury; don't you, sir?

5 A. Yes.

6 Q. And that they and they alone make that determination;
7 correct?

8 A. Yes.

9 Q. Now, let me ask you something, there were a few
10 things. It's been a while, and if you have difficulty
11 remembering the questions, I apologize, but it's been a while
12 since you testified.

13 You're not a mind-reader; are you, sir?

14 A. No, sir.

15 Q. And you can't tell me what somebody intended to do;
16 can you, sir?

17 A. I cannot.

18 Q. You can't look this jury in the eye and tell them
19 that Jon Walker intended to do anything because you can't read
20 his mind; isn't that true, sir?

21 A. That is correct.

22 Q. You can't look this jury in the eye and tell them
23 whether or not Mr. Walker willfully did something because you
24 can't read his mind; can you, sir?

25 A. That is correct, cannot.

1 Q. And any statements you said inconsistent -- for
2 example, if the government asked you if Mr. Walker
3 intentionally did something, that's -- you can't answer that
4 question truthfully; can you, sir?

5 MS. M. MILLER: Objection, Your Honor. That is a
6 misstatement, and it would also refute what this witness has
7 said in terms of statements made directly to him by
8 Mr. Walker.

9 THE COURT: All right. Hold on a second.

10 (Whereupon the reporter read back requested
11 portion.)

12 THE COURT: All right, objection overruled. Go
13 ahead.

14 BY MR. MARTIN: (CONTINUING)

15 Q. You can't answer that to this jury; isn't that true,
16 sir?

17 A. I cannot.

18 Q. Likewise, I want to turn your recollection to the
19 contract for the tuna boat, sir; you recall that?

20 A. Yes.

21 Q. You signed all those contracts, right?

22 A. Most of them, yes.

23 Q. The majority of them? Let me try to be as accurate
24 as I can.

25 A. Yes.

1 Q. And every one of those contracts was with a separate
2 corporation; wasn't it, sir?

3 A. Yes.

4 Q. And by that -- let me clarify that a little bit. By
5 that, those contracts were not with Hansen Helicopters and the
6 tuna boat companies; were they, sir?

7 A. No.

8 Q. They were, like, with Eddie Air or some other
9 corporation, right?

10 A. That is correct.

11 Q. And I believe, as you've testified earlier, the
12 Federal Aviation Administration, also known as the FAA, they
13 were not a party to nor had anything to do with those
14 contracts; did they, sir?

15 A. They did not.

16 MR. MARTIN: May I have just a minute, Your
17 Honor?

18 THE COURT: Yes.

19 (Pause.)

20 MR. MARTIN: Your Honor, I don't have any further
21 questions.

22 THE COURT: All right. Thank you, Mr. Martin.

23 Who is next, Carmen on the -- do you know? Is it
24 Ms. McConwell or Mr. McConwell?

25 MR. MCCONWELL: Yes, Your Honor.

1 MS. MCCONWELL: There are only two of us.

2 THE COURT: On behalf of Hansen Helicopters,
3 Mr. McConwell, you're going to go ahead and proceed?

4 MR. MCCONWELL: Yes, Your Honor. Do I need to
5 have this extra...

6 THE COURT: No, no, I think you're fine.

7 (Referring to lavalier.)

8 THE COURT: Are you more comfortable sitting down
9 from your chair?

10 MR. MCCONWELL: I can go up there.

11 THE COURT: Okay, very well.

12 MR. MCCONWELL: Let me try that for a while and
13 see how it goes.

14 THE COURT: If your legs hurt, we can accommodate
15 you.

16 MR. MCCONWELL: Just have to be slow and
17 deliberate.

18 THE COURT: Okay.

19

20 RECROSS-EXAMINATION

21 BY MR. MCCONWELL:

22 Q. Mr. Reed, when did you first become involved with
23 tuna spotting?

24 A. With what? Tuna spotting?

25 Q. Yes, sir.

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1 A. I don't understand exact --

2 Q. Before you were with Hansen Helicopters, you were
3 with another company that provided helicopters to tuna boats
4 for tuna spotting; correct?

5 A. Yes, that was Big Eye Helicopters.

6 Q. And when was that?

7 A. That was in 1983, I think.

8 Q. And then you and Mr. Hansen left Big Eye and went to
9 -- and formed Hansen Helicopters; is that correct?

10 A. That is correct.

11 Q. And what was your initial position -- or first of
12 all, what was your position with Big Eye?

13 A. Parts department, parts manager.

14 Q. Did Big Eye have contracts with individual tuna
15 boats?

16 A. I never got into any of that, so I can't answer you.

17 Q. When did you first become aware of existence of
18 contracts between the tuna boat and the helicopter owner?

19 A. When it was -- when he formed that company, Hansen.

20 Q. 1987?

21 A. Yes.

22 Q. And those were contracts similar to the ones that are
23 even used today; correct?

24 A. Yes.

25 Q. And that's kind of an industry standard to have a

1 contract between the owner of the helicopter and the tuna boat
2 company that actually -- or the actual tuna boat itself, even
3 if it's part of a group; correct?

4 A. Yes.

5 MS. M. MILLER: Your Honor, I'm going to object
6 to the questions, they're outside the scope of the
7 government's direct and the cross and everything else. Now
8 we're talking about a period of time outside the indictment.

9 THE COURT: Mr. McConwell, the relevance of that
10 period of time?

11 MR. MCCONWELL: I think I'm entitled to build his
12 background because it started very soon after they're talking
13 about 1992, it was the beginning of the indictment period or
14 the conspiracy that they're alleging. And this is for
15 preliminary background. I'm not going to spend much time with
16 it, but I'd like to develop it.

17 MS. M. MILLER: Then why spend any time on a
18 background of him working for another company? That's not
19 relevant.

20 THE COURT: Relevance of that, Mr. McConwell?

21 MR. MCCONWELL: Well, for example, the relevance
22 is they use similar-type contract that are being used -- or
23 were being used by Hansen, and that's how he started getting
24 involved in contracts between tuna boats and helicopter
25 operators.

1 THE COURT: Okay. Overruled.

2 MR. MCCONWELL: Thank you.

3 THE COURT: Go ahead.

4 BY MR. MCCONWELL: (CONTINUING)

5 Q. So anyway, you own 5%, you say, of the new company,
6 Hansen Helicopters?

7 A. Say again?

8 Q. You owned 5% --

9 A. Oh, yes.

10 Q. -- of the new company, Hansen Helicopters?

11 A. Yes, that's correct.

12 Q. And you're aware that Mr. Kapp was actually born in
13 1982; correct?

14 A. Yes.

15 Q. Now, what was your job with the new company, Hansen
16 Helicopters?

17 A. Parts; I was still in parts.

18 Q. And how long did you stay in parts?

19 A. A long time.

20 Q. Did your duties expand from time to time, then?

21 A. Yes.

22 Q. Okay. Kind of give us a chronology, if you would --
23 not waste time -- but go through, generally, a chronology of
24 job -- of titles up through 1998; how would that be?

25 Was parts all you did during that period of time?

1 MS. M. MILLER: Your Honor, I'm going to object
2 again. What is the relevance of what he did for the company
3 prior to 1998?

4 MR. MCCONWELL: If we're going to be doing
5 objections for every question, I would like to do it with our
6 headset operation rather than speaking objections.

7 THE COURT: All right. But -- okay, so you got
8 the background on the contracts, now you want his background
9 on his jobs?

10 MR. MCCONWELL: Yes.

11 THE COURT: Prior to 19 --

12 MR. MCCONWELL: Of course.

13 THE COURT: So she's just asking the relevance of
14 that. Relevance?

15 MR. MCCONWELL: Well, she's alleged he's a
16 conspirator of a company starting in 1992, some five years
17 after this company was formed. And if he's still in parts, I
18 think that's relevant to whether or not it could be a
19 conspirator in overall operations.

20 THE COURT: What years was that, 19- -- what?

21 MR. MCCONWELL: 1987 to '92, is five years.

22 THE COURT: Okay. All right, overruled. Go
23 ahead.

24 BY MR. MCCONWELL: (CONTINUING)

25 Q. What was your job by 1992?

1 A. I was still the vice president and I still did parts.

2 Q. What other actual day-to-day duties did you have
3 other than parts?

4 A. Um... just assisting him running the company.

5 Q. Well, did you make business decisions with Mr. Vern
6 Hansen about investments the company might make in helicopters
7 --

8 A. No, I did not.

9 Q. You weren't involved in the substantive business
10 decisions of the operation of the company, Hansen Helicopters;
11 were you, sir?

12 A. Say again?

13 Q. You were not involved in the substantive business
14 decisions of the operation of Hansen Helicopters when Mr. Vern
15 Hansen was running it; were you, sir?

16 A. No, I was not.

17 Q. And that -- that would be all the way up to 1998;
18 correct?

19 A. Somewhere in there, yeah.

20 Q. And you were continually primarily involved in parts;
21 is that correct still?

22 A. Yes.

23 Q. When did you first meet Mr. Turner Kapp, by the way?

24 A. I don't remember, I'm sorry.

25 Q. Not until end of 2001 timeframe, at least?

1 A. To be honest, I just don't remember the date.

2 Q. When did your job expand beyond parts?

3 A. If they needed me to do other things, I would do it.
4 I just don't know the timeframes.

5 Q. But again, you weren't involved in the substantive
6 business decisions made --

7 A. No, I was not.

8 Q. -- by Mr. Hansen or by Jon Walker; correct?

9 A. No, I was not.

10 Q. And when Jon Walker bought the company in 1998, he
11 reorganized it; didn't he, sir?

12 A. That is correct.

13 Q. As a matter of fact, in 1999, he formed eight United
14 States corporations, in addition to Hansen Helicopters;
15 correct?

16 A. That is correct.

17 Q. You were just aware of that, you weren't involved in
18 how it happened; you know, why it happened, when it happened
19 exactly?

20 A. That is correct.

21 Q. You did know that David Ledger, an attorney, was
22 involved in that matter?

23 A. That is correct.

24 Q. And then were you also aware that the next thing that
25 happened with regard to Mr. Walker was he decided to

1 self-insure the helicopters; correct?

2 A. That is correct.

3 Q. You weren't involved in that substantive decision at
4 all; were you, sir?

5 A. No, I was not.

6 Q. Were you aware that during the period of 1990s, the
7 company, Hansen Helicopters, was a FAA-certified Part 145
8 repair station?

9 A. That is correct.

10 Q. And that Jon Walker was the principal operating
11 person from 1993 to 1998 of that repair station, whatever the
12 exact duration was; correct?

13 A. That's correct.

14 Q. And that he fully cooperated with the FAA all aspects
15 of the operation of the maintenance facility and the operation
16 of the helicopters during that time period; correct?

17 A. That is correct.

18 Q. And then he buys the company -- and how many
19 helicopters did he have, the initial part, by the way?

20 A. I'm not sure.

21 Q. You don't know the terms and conditions of his
22 acquisition at all; do you, sir?

23 A. No.

24 Q. And then he decides that he wants to form an
25 insurance company, a captive insurance company; correct?

1 A. Yes.

2 Q. And that was for the purpose of providing insurance
3 and trying to save, maybe, something on premiums, but that is
4 a standard business practice for companies to have captive
5 insurance company; isn't it, sir?

6 A. Yes.

7 Q. And he did that, and it's called Caledonian; correct?

8 A. Yes.

9 Q. And that was formed in Vanuatu; correct?

10 A. Yes.

11 Q. In 2000?

12 A. (Nodded head.)

13 Q. And it was formed there because Vanuatu is one of the
14 companies -- countries in the -- in the world that would allow
15 captive insurance companies to be formed?

16 MS. M. MILLER: Objection, Your Honor. Lack of
17 foundation.

18 MR. MCCONWELL: I intend to have evidence about
19 that, Your Honor.

20 THE COURT: All right, but why don't you lay the
21 foundation for his knowledge regarding this.

22 BY MR. MCCONWELL: (CONTINUING)

23 Q. You have no knowledge about the extent of the
24 authority of Vanuatu to --

25 A. No, I do not.

1 Q. -- form insurance companies; correct?

2 A. Correct, I do not.

3 Q. But you do know that this company was formed in
4 Vanuatu for some reason?

5 A. Yes.

6 Q. Again, you had no part in the decision-making process
7 or anything to do with the formation of that Caledonian
8 insurance company at all; correct?

9 A. That is correct.

10 Q. Or any of the business plans of Jon Walker, an
11 individual person, that required the assets of Hansen
12 Helicopters?

13 A. That is correct.

14 Q. And then certain Vanuatu corporations were formed;
15 correct?

16 A. Yes.

17 Q. And they were -- there, first of all, was Bean Bag in
18 1999; you knew that, didn't you?

19 A. Yes.

20 Q. Again, you weren't involved in the substantive
21 business decisions about forming that corporation?

22 A. I was not.

23 Q. And the purpose of Bean Bag was to own 30,
24 ultimately, Vanuatu corporations to acquire ownership interest
25 and register somewhere those aircraft?

1 MS. M. MILLER: Objection, Your Honor. The
2 witness just said he had no knowledge of the rationale behind
3 the formation of any of these companies, so to follow up a
4 question with "isn't it correct that it was formed to..."
5 Mr. McConwell is testifying.

6 THE COURT: Objection to --

7 MR. MCCONWELL: I listened to that for a long
8 time not long ago, Your Honor.

9 THE COURT: All right. Well, the objection will
10 be sustained, and if you want to rephrase the question, you
11 may do so.

12 MR. MCCONWELL: I will, Your Honor. Thank you.

13 THE COURT: So sustained.

14 BY MR. MCCONWELL: (CONTINUING)

15 Q. So you know Bean Bag was formed; you don't know
16 exactly why?

17 A. Yes.

18 MR. MCCONWELL: Let's look at Exhibit 286, I
19 believe it was, Laura. The chart, the chart of the companies.

20 Sorry, Your Honor, I caught her off guard.

21 THE COURT: No, that's okay.

22 MR. MCCONWELL: I'm sorry, it's 829. While she's
23 looking at that, let me go on for purposes of time.

24 THE COURT: Sounds like a good idea.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. Now, during this first ten-year period -- or the
2 period of 1998, for the first 15 -- or first 12 years, for
3 example, brings us up to the timeframe of 2020 -- or 2010, I'm
4 sorry, were you involved at all in the business decisions
5 between yourself and Jon Walker concerning anything to do with
6 the business decisions of the company that he formed?

7 A. No, I was not.

8 Q. And Mr. Kapp wasn't involved in any of those
9 discussions at all; correct?

10 A. Correct.

11 Q. He started, actually, in more of a management
12 maintenance position after 2010 and '11; correct?

13 A. Yes.

14 Q. And Mr. Walker, by the way, he retired at that point
15 and turned over the entire management of the companies to
16 Rufus Crowe; correct?

17 A. Yes.

18 Q. And that was about 2011; correct?

19 A. Yeah. Maybe. I'm not 100% sure.

20 MS. M. MILLER: Objection, Your Honor. If the
21 witness is not sure, the government moves to strike his
22 response.

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. What is your best guess --

25 MR. MCCONWELL: I'll withdraw it, Your Honor.

1 MS. M. MILLER: Object to "best guess."

2 THE COURT: I'm sorry. Sorry. Hold on, hold on.
3 He's going to withdraw the question, and the Court will strike
4 the question and the answer. Okay? Next question.

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. What is your best estimate of the time that Rufus
7 Crowe took over as manager of the whole operation of Hansen
8 Helicopters and any of its subsidiaries?

9 A. I don't remember.

10 Q. Do you remember the circumstances?

11 A. I remember it taking place, but I don't remember what
12 years it was or...

13 Q. How did it coincide with Mr. Walker's retirement?

14 MS. M. MILLER: Objection, Your Honor. There has
15 been no evidence that Mr. Walker ever retired. This is
16 Mr. McConwell testifying, not this witness.

17 THE COURT: Okay, so you're -- the objection is
18 assuming facts not in evidence?

19 MS. M. MILLER: Absolutely.

20 THE COURT: All right. So Mr. McConwell,
21 rephrase. All right, the question is stricken. Next
22 question.

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. Did Mr. Walker retire from the business operations?

25 A. He was still the owner. I mean, I don't know

1 anything other than...

2 Q. You don't know whether he was an active manager of
3 day-to-day operations or not at any point after he moved back
4 -- did he move back to Missouri?

5 A. Yes. But he was not involved in the day-to-day
6 operations.

7 Q. Okay. He turned that over to Mr. Crowe?

8 A. Yes, that is correct.

9 Q. So if we could figure out the day that he moved back
10 to Missouri, we could figure out when Mr. Crowe took over;
11 correct?

12 A. Yes.

13 Q. And Mr. Crowe was the manager of all aspects of the
14 operations after he ultimately replaced Mr. Walker; correct?

15 A. That is correct.

16 Q. If that turned out to be after 2010, he would have
17 had no involvement in any business plans with regard to the
18 company, as you had no involvement in the decision-making
19 process of that company?

20 MS. M. MILLER: Objection, Your Honor. Lack of
21 foundation. How would Mr. Reed know what Mr. Walker was
22 involved in?

23 THE COURT: All right, the objection will be
24 sustained.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. Would you know what activities Mr. Walker was
2 involved in during the period of 2000 and 2010?

3 A. I do not.

4 Q. Do you know what maintenance certificates he had?

5 A. I do not.

6 Q. I thought you had testified at one point he was an
7 A&P mechanic and was inspection authorization for
8 Ms. Miller; do you recall that?

9 A. Are you asking me what licenses Mr. Walker has?

10 Q. Yes, sir.

11 A. As far as I know, he has, yeah, mechanic's license,
12 pilot's license, and the authorization license.

13 Q. Let's back ourselves back up to the 1990s. There has
14 been some allegation about the impropriety of purchasing
15 wrecked aircraft by Mr. Walker.

16 Do you recall that?

17 A. Yes.

18 Q. And you weren't involved in any of the
19 decision-making process about whether or not to buy any
20 particular aircraft at all; correct?

21 A. That is correct.

22 Q. At some point, you took over the process of -- for
23 Hansen Helicopters of handling all the signing of the actual
24 contracts between the Vanuatu companies and the boats?

25 A. Yes.

1 Q. You did not negotiate the contracts?

2 A. I did not negotiate it.

3 Q. You had no part of the negotiations at all; correct?

4 A. Correct.

5 Q. You were just handed a name and said "use Form A",
6 right?

7 A. Yes.

8 Q. Now, what was the essential purpose of those
9 accounts, sir?

10 A. Say again?

11 Q. Do you know what "essential purpose" means?

12 A. Yes.

13 Q. Okay. You had a contract between Vanuatu companies
14 and the boats?

15 A. And the boats, yes.

16 Q. And what was the purpose of that contract in each
17 instance?

18 A. That we would provide a service to them.

19 Q. And what was that service?

20 A. Fish-spotting service.

21 Q. And that was by -- the contract was by the Vanuatu
22 corporations and the boat; correct?

23 A. Yes.

24 Q. And do you know how the ownership interest in the
25 Vanuatu corporations came to be?

1 A. No, I don't.

2 Q. Have you ever seen the bills of sale between Hansen
3 Helicopters or Mr. Walker and any of the Vanuatu corporations?

4 A. No.

5 Q. Were you at all involved in the decision-making
6 process as to whether or not these corporations should
7 register the aircraft in the United States?

8 A. No, I was not involved.

9 Q. And you were not involved in the discussions about
10 how that came about, whether it was by accident that it was in
11 the United States or some --

12 A. Yeah, I was not.

13 Q. And there was no other person of the defendants that
14 was even working at Hansen up until probably about 2010;
15 correct?

16 A. Yes.

17 Q. So we're now from 1992 up to 2010, there are no other
18 people there that are named in this litigation, other than
19 yourself and Mr. Walker, that was involved in the
20 decision-making process concerning any of these topics?

21 A. Yes.

22 Q. And they were all made by Jon Walker, as an
23 individual?

24 A. (Nodded head.)

25 Q. Not in conjunction with the advice or consent of

1 anybody else to form the Vanuatu corporations?

2 MS. M. MILLER: Your Honor, I'm going to object.
3 Mr. McConwell is testifying. This witness has said repeatedly
4 he has no knowledge of any of the business-making decisions.
5 And yet, Mr. McConwell is saying, "well, isn't it true that
6 this happened and this happened and this happened and this
7 happened." Mr. McConwell is testifying.

8 THE COURT: All right, objection will be
9 sustained.

10 MR. MCCONWELL: Aren't I entitled to lead since
11 he is an adverse witness, Your Honor? I think that's what we
12 were listening to five weeks ago.

13 THE COURT: You can lead, but you can't testify.
14 I would agree that you can't testify. Reframe the question.
15 BY MR. MCCONWELL: (CONTINUING)

16 Q. Was there anyone else involved in the decision-making
17 process about the formation of the Vanuatu corporations, the
18 business plan of registering the aircraft, the Vanuatu
19 corporations registering aircraft in the United States?

20 MS. M. MILLER: Objection. Compound question,
21 assumes facts not in evidence, lack of personal knowledge.
22 BY MR. MCCONWELL: (CONTINUING)

23 Q. Are you aware --

24 THE COURT: You're rephrasing the question?

25 MR. MCCONWELL: I'll rephrase.

1 THE COURT: Okay, rephrase.

2 BY MR. MCCONWELL: (CONTINUING)

3 Q. Were you aware that the Vanuatu corporation-owned
4 aircraft were registered in the United States by the Vanuatu
5 corporations?

6 A. I am not aware of that.

7 Q. Never been aware of that?

8 A. No.

9 Q. Now, one of your jobs was to record -- or record the
10 flight hours of each aircraft; is that a fair statement?

11 A. That's correct.

12 Q. And when did you start that process, that
13 responsibility?

14 A. I'm not exactly sure, but it was probably three or
15 four years ago.

16 Q. It could have been as early as 2013?

17 A. It might have been; I don't know exactly.

18 Q. Now, the individual contracts with boats, what was
19 the per hour obligation of the boat to the Vanuatu
20 corporation? How many hours per year?

21 A. A total of 700.

22 Q. Okay. So each corporation agreed to supply
23 helicopters and they agreed to pay for 700 hours; correct?

24 A. Yes, that's correct.

25 Q. Each year? And how many different -- let's start in

1 2000.

2 How many helicopters were subject to this type of
3 contract?

4 A. All of the contracts, all of 'em.

5 Q. Are we talking about 10, 20, 30, 50?

6 A. I don't know the number that they had at that time.

7 Q. Pardon me?

8 A. I don't know the number of how many there was.

9 Q. Is there any period of time you could provide that
10 number of total helicopters subject to a lease requiring
11 700 hours of flight per year?

12 MS. M. MILLER: Objection, Your Honor. How many
13 time does the witness have to say "I don't know"?

14 THE COURT: The objection will be sustained.

15 MS. M. MILLER: Thank you.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. Is there any point in time last month?

18 A. Say again?

19 THE COURT: I'm sorry, wait just a minute. Wait
20 wait, wait. Hold on.

21 MR. MCCONWELL: I'm going to withdraw.

22 THE COURT: Withdraw, okay. Next question.

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. January 1st of 2021, how many helicopters were
25 subject to contracts that were on boats?

1 A. Probably around 40.

2 Q. Okay. How about the year before, 2020?

3 A. Probably about the same. I'm not... I didn't really
4 keep a count of all of 'em.

5 Q. Approximately, 40; is that a fair average?

6 A. Approximately, yes.

7 Q. Would that be a fair average for the entire decade of
8 2000 to -- 2010 to 2020?

9 A. Yes.

10 Q. And how about 2020 to the last time you were working?

11 A. Say again?

12 Q. How about from 2020 through 2021, 40?

13 A. There is still -- yeah.

14 Q. And how about even prior to that, did you go -- how
15 many years back before that; could you say it's,
16 approximately, 40 going on at all times?

17 A. Yeah, between 35 and 40.

18 Q. Okay. That would be good for, at least, that decade
19 before?

20 A. Yes.

21 Q. And that would be 2010 to 2020?

22 A. Yes.

23 Q. And how about before that, five years before that;
24 about the same?

25 A. About the same.

1 Q. So we're now down to 2015. If you go backwards from
2 there to 2000 itself, about 40?

3 A. About 35 to 40. It was always...

4 Q. And each boat made how much per month?

5 A. Um... The monthly lease agreement?

6 Q. Yes, sir.

7 A. I think, 35,000.

8 Q. And that was elevated to more than that after 2010,
9 at least?

10 A. Yes.

11 Q. Up to how much?

12 A. Up to 40.

13 Q. So 35 to 40,000 per month, and that was the
14 obligation of Hansen Helicopters or the Vanuatu corporation,
15 that actually was the lessor, to provide aircraft for that
16 many hours; correct?

17 A. Yes.

18 Q. And Hansen Helicopters involvement in this was as a
19 -- providing administrative services to the Vanuatu
20 corporations; is that correct?

21 A. Yes.

22 Q. And that included maintenance, supervising
23 maintenance, providing parts, providing logistics for travel?

24 MS. M. MILLER: Objection, Your Honor. Compound
25 question again, lack of personal knowledge.

1 MR. MCCONWELL: I'll withdraw.

2 MS. M. MILLER: Mr. McConwell is testifying.

3 THE COURT: Objection will be sustained.

4 Withdrawn. Go ahead, rephrase.

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. What administrative services did Hansen Helicopters
7 provide the Vanuatu corporations, sir?

8 A. They supplied the helicopter with -- and supplied the
9 pilots, mechanics, parts, and whatever else they would need.

10 Q. Who provided the training?

11 A. Hansen Helicopters.

12 Q. And who provided the maintenance, the heavy
13 maintenance?

14 A. Yeah.

15 Q. Can you tell us what heavy maintenance was provided,
16 normally?

17 A. Say again?

18 Q. Can you tell me what heavy maintenance was provided
19 for the helicopters on a regular basis?

20 A. Like who did it or?

21 Q. What type of maintenance was provided by Hansen as
22 heavy maintenance on the helicopters?

23 A. I don't know.

24 Q. But it was all after 2000 -- whatever it was that
25 Mr. Crowe took over, that was all area he supervised and he

1 supervised --

2 MS. M. MILLER: Objection, Your Honor. There is
3 no evidence Mr. Crowe took over, except for Mr. McConwell's
4 questions, which this Court has already sustained. Mr. Reed
5 said he has no personal knowledge of that.

6 MR. MCCONWELL: He said "Mr. Crowe took over,"
7 and I said "whenever he took over," was my question.

8 THE COURT: All right, so -- all right, objection
9 will be overruled. Go ahead.

10 Did you understand the question?

11 THE WITNESS: Say again?

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. I asked you what type of heavy maintenance was
14 provided by Hansen and its facilities on the helicopters after
15 Mr. Crowe took over?

16 A. The heavy maintenance, I don't understand...

17 Q. Were you aware that the boats went into dry dock,
18 periodically?

19 A. Yes.

20 Q. And you know what happened to the helicopters when
21 the boats went into dry dock; don't you, sir?

22 A. Yes. They would overhaul it, yes.

23 Q. They were brought back to Guam; correct?

24 A. Yes, that's correct.

25 Q. They were completely disassembled?

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1 A. Yes.

2 Q. And the fuselages, the middle part of the helicopter,
3 was sent out for corrosion inspection and maintenance;
4 correct?

5 A. That's correct.

6 Q. And they were contracted with third parties to do
7 this; correct?

8 A. That's correct.

9 Q. And then the helicopters came back to Guam -- or the
10 pieces came back to Guam. They lose their identity; don't
11 they, sir, when they get disassembled?

12 A. Yes.

13 Q. And the parts come back -- came back to Guam,
14 helicopters are reassembled; correct?

15 A. Yes.

16 Q. And test flown and then delivered out to the boats?

17 A. Yes.

18 Q. That was done on -- as far as an ongoing maintenance
19 practice by --

20 A. Regular basis.

21 Q. Now, incidentally, back when you first started with
22 Hansen, isn't it a fair statement that Hansen provided life
23 vests for each aircraft and a raft?

24 A. That is correct.

25 MR. MCCONWELL: And if -- Your Honor, if I could

1 show for demonstration purposes only a sample of the type of
2 life vest?

3 THE COURT: Sure. Okay, you want to show -- you
4 want the witness to identify it?

5 MR. MCCONWELL: If he could?

6 THE COURT: You may.

7 BY MR. MCCONWELL: (CONTINUING)

8 Q. Can you tell me what I just gave you?

9 A. Say again?

10 Q. Can you tell what I just handed you, sir?

11 A. Yeah, it's a life vest.

12 Q. Why don't you unfold it and hold it up, if you would.

13 Turn it around, if you would, sir.

14 Can you tell me what that little metal thing in the
15 middle is, cylinder?

16 A. That's the air, pressurized air for the -- that
17 inflates the life vest.

18 Q. And that has to be activated by a pull tab?

19 A. Yes.

20 Q. And then there is a little red spout; do you see
21 that? Would you tell us what that is?

22 A. This one?

23 Q. No, the other one, the long one.

24 A. Oh, this one?

25 Q. I think it's -- my side of it there. No, there is a

1 red thing you blow on to.

2 A. Oh, this one?

3 Q. Yeah.

4 A. Yeah, they can manually blow it up, if they want.

5 Q. Okay. And is that -- that is the typical life vest
6 for aviation operations; isn't it, sir?

7 MS. M. MILLER: Objection, Your Honor. What is
8 the relevance that that is a typical life vest for aviation
9 operations if that is not a life vest that the defendants gave
10 their pilots?

11 MR. MCCONWELL: Well, I'm going to ask him. I
12 think he said --

13 THE COURT: Overruled at this time. Go ahead.
14 Are you going to get to that?

15 MR. MCCONWELL: I am right now.

16 THE COURT: Oh.

17 MR. MCCONWELL: She didn't give me time.

18 BY MR. MCCONWELL: (CONTINUING)

19 Q. That is the type of life vest that was provided to
20 Hansen Helicopters from the start -- when you first started
21 and continues through today; correct?

22 A. Yes, that is.

23 Q. Every helicopter gets one of those assigned and also
24 a life raft; correct?

25 A. Yes, that's correct.

1 Q. And the reason you have the blow-up spout and the
2 cylinder that you pull tab is so you don't get trapped in the
3 fuselage if you get under water?

4 A. Yes, that's correct.

5 Q. And we talked about the accident involving 9068F; do
6 you recall that?

7 A. Yes.

8 Q. And Mr. Santos died; correct?

9 A. Yes.

10 Q. He didn't use that life jacket that was assigned to
11 the helicopter; did he, sir?

12 A. No, he did not.

13 MS. M. MILLER: Objection, Your Honor. I
14 withdraw the objection.

15 THE COURT: All right. And your answer is?

16 THE WITNESS: He did not.

17 THE COURT: Okay.

18 BY MR. MCCONWELL: (CONTINUING)

19 Q. What he had was an auto inflate?

20 A. Yes, auto inflate.

21 Q. The second the water hit that, boom, he couldn't get
22 -- he really couldn't get out of the helicopter; correct?

23 A. Yes, that's correct.

24 Q. And that's what killed him?

25 A. Yes.

1 MS. M. MILLER: Your Honor, objection. Move to
2 strike. No personal knowledge, lack of foundation,
3 speculation.

4 THE COURT: On the last question?

5 MS. M. MILLER: Yes.

6 THE COURT: Mr. McConwell?

7 BY MR. MCCONWELL: (CONTINUING)

8 Q. Have you read the reports --

9 THE COURT: Wait, wait. Your response to her
10 objection; lack of personal knowledge, speculation?

11 MR. MCCONWELL: Well, I think he even testified
12 about it in her direct examination about this. He has
13 personal knowledge.

14 MS. M. MILLER: Absolutely not. Absolutely not.
15 He testified that he knew Mr. Santos died. There is an NTSB
16 report regarding Mr. Santos's --

17 MR. MARTIN: Your Honor, if we could go off the
18 record?

19 THE COURT: I'm sorry?

20 MR. MARTIN: Can we go off the record? This
21 badgering back and forth is not appropriate. It's a speaking
22 objection.

23 THE COURT: All right. I guess we could. This
24 gets into the...

25 (Technical issue with sidebar

1 headsets/microphones.)

2 THE COURT: Let's just take a recess. It's a
3 2:00 recess anyway. I have to get IT down here to assist.
4 All right. Testing. Can you hear? Ladies and gentlemen, can
5 you hear me? It's time to take a recess, so let's -- I'm just
6 looking at my calendar here. 2:00, so let's talk a 15-minute
7 recess.

8 Please keep an open mind. Do not form or express
9 any opinion on this case. Please rise for the jury.

10 (Jury out at 2:01 p.m.)

11 THE COURT: We're outside the presence of the
12 jury.

13 MR. PEREZ: Can we step out?

14 THE COURT: No, just stay here.

15 MS. M. MILLER: So, Your Honor, on the direct
16 examination --

17 THE COURT: I think you guys --
18 What was that?

19 MS. M. MILLER: On the direct examination of this
20 witness when asked about the accident that killed Mr. Santos
21 and whether he was aware that Mr. Santos drowned because he
22 could not get out of the helicopter because his life vest was
23 inflated, the witness agreed to that, but the witness never
24 testified having any personal knowledge about the type of life
25 vest -- what happened with the life vest. He would have no

1 personal knowledge about whether Mr. Santos used the life vest
2 that was provided to him or used a different one.

3 If Mr. McConwell is now trying to say that this
4 witness has that personal knowledge, then he needs to lay the
5 foundation for it.

6 THE COURT: All right. Mr. McConwell?
7 So do you admit that he says he knew that he
8 died?

9 MS. M. MILLER: Yes, he said he knew he died. He
10 said he knew he died when he couldn't get out of the
11 helicopter because his life vest wasn't inflated and he
12 couldn't unhook the seatbelt and get out. He never testified
13 on direct examination about the type of life vest that was
14 used or not.

15 THE COURT: Okay. You have to set a foundation
16 for that.

17 MR. MCCONWELL: He never said hardly any --

18 COURT REPORTER: I'm sorry, can you get on the
19 microphone, please?

20 THE COURT: I'm sorry. You have to get on the
21 mic because I can't hear you.

22 MR. MCCONWELL: I think I'm okay now.

23 THE COURT: Yeah, a lot better.

24 MR. MCCONWELL: As a matter of fact, he didn't
25 say anything. Almost all of his answers were "yes" to her

1 questions. But one thing did come up, he talked about not
2 having -- changing policy because he didn't have this type of
3 life vest in the helicopters and this was a change of policy.
4 There were questions about that. We're trying to find it
5 right now, but I know she covered this territory.

6 It was clear that he knew the man had drowned
7 because of this auto inflate life vest. And that's my point,
8 that this has been what they provided all along.

9 THE COURT: So your point is that upon -- can I
10 tell you, I really don't recall. I mean, I have to go back
11 and look, but I don't specifically recall him testifying, this
12 witness, whether or not he testified that he knew that he died
13 -- or when he died that he was wearing a specific life vest.
14 I don't recall that, in particular.

15 And you're saying that that is, in fact -- that
16 in fact, he did testify on direct exam?

17 MR. MCCONWELL: The testimony is on Page 260, I
18 believe.

19 THE COURT: Okay. And go ahead, read it.

20 MR. MCCONWELL: You want me to read it? Okay.

21 THE COURT: Well, just tell me -- get right to
22 the point. Zoom in right there.

23 MS. MCCONWELL: And --

24 THE COURT: Okay, can you give her the mic,
25 Mr. McConwell? Okay. Yes, go ahead.

1 MS. MCCONWELL:

2 "QUESTION: Now, the life jackets that were
3 provided to these pilots were the most basic life jackets?

4 "ANSWER: That's correct.

5 "QUESTION: And if the life -- pilots wanted
6 something safer or better, they had to ask for it?

7 "ANSWER: That's correct.

8 "QUESTION: And after Mr. Santos drowned because
9 he couldn't get out of the helicopter with his life jacket,
10 that is when Hansen Helicopters started paying attention to
11 life jackets; correct?

12 "ANSWER: Yes."

13 THE COURT: So the questioner was Ms. Marie
14 Miller?

15 MS. MCCONWELL: Yes, ma'am.

16 THE COURT: The questioner was Ms. Miller.
17 The witness was testifying.

18 MS. M. MILLER: See Your Honor, that foundation
19 that he's seeking was never laid. He's trying to establish
20 now through this witness that this particular life vest --
21 which by the way he hasn't shown the government that life
22 vest. We haven't seen that life vest, we have no idea when
23 that life vest was manufactured.

24 Anyway, my point is: As you just heard, this
25 witness does not have any personal knowledge about the life

1 vest Mr. Santos was using. He also doesn't have any personal
2 knowledge about whether that life vest that Santos used when
3 he was killed was a life vest provided by Walker or not
4 provided by Walker, and that is what you just heard from the
5 testimony.

6 THE COURT: Well, I think what might be helpful
7 is, number one, if you guys haven't seen the life vest then --

8 MS. M. MILLER: We haven't seen it.

9 THE COURT: Hold on. You should have just said,
10 "Hey, can I see that life vest?" Usually, you guys exchange
11 it, number one; number two, it might be, also, helpful is to
12 voir dire the witness in aid of an objection.

13 MS. M. MILLER: Yes.

14 THE COURT: And if you had done that with me and
15 him, it would make it easier for me. Because I get what
16 you're saying now.

17 MS. M. MILLER: Yes, thank you.

18 THE COURT: So let's just do it that way, it's
19 just easier.

20 MR. MCCONWELL: She actually also covered in her
21 opening statement the scenario about this life jacket and he
22 got his life jacket from the boat -- and I apologize for not
23 giving it to her. It's the one United Airlines use, by the
24 way. But the point was, it's the type of thing that they have
25 had in all their -- the history, and that's certainly when the

1 -- inference we got from her questions that he answered in the
2 direct examination.

3 THE COURT: Okay. Well, I didn't know there were
4 so many different life vests, but okay.

5 MS. M. MILLER: Well, right on the face of this
6 life vest, Your Honor, it has a date of manufacturer of 2019.
7 So we have no idea, because it was never produced or
8 identified, whether that life vest was even available at the
9 time that Mr. Santos died, whether it was -- I mean, this is
10 so -- we're so far afield of reality now, we're just kind of,
11 like, I don't know what we're doing. But even just looking at
12 that life vest --

13 THE COURT: Again, let me just say: You can voir
14 dire the witness in aide of an objection.

15 MS. M. MILLER: Yes.

16 THE COURT: Because I do have to have it
17 identified now that --

18 MS. M. MILLER: Oh, absolutely.

19 THE COURT: -- it hasn't been marked and
20 identified.

21 MS. M. MILLER: Yes, yes.

22 THE COURT: I thought it was for demonstrative
23 evidence, actually, but it's far more than that.

24 MS. M. MILLER: Yeah.

25 THE COURT: So I mean -- anyway, go ahead.

1 MR. MCCONWELL: I apologize. I was trying to do
2 this as a demonstration of the type of life jacket, not that
3 this particular one obviously was not the one that was in the
4 helicopter available on that day. It was 2015, was when this
5 accident occurred, in September.

6 THE COURT: So four years earlier, earlier than
7 this manufactured date.

8 MR. MCCONWELL: But he's identified it as the
9 type of life jacket they had forever back into the late '90 --

10 THE COURT: Okay, he did that. That's fine. All
11 right. Therefore, where do we go from here?

12 MR. MCCONWELL: I think we got to recess.

13 THE COURT: Your objection is?

14 MS. M. MILLER: My objection is, Your Honor.

15 THE COURT: Yes, your objection is?

16 MS. M. MILLER: He tried to get Mr. Reed to
17 testify, I guess, that --

18 THE COURT: Right.

19 MS. M. MILLER: -- this is the life vest that was
20 available to Mr. Santos --

21 THE COURT: And he did testify, he --

22 MS. M. MILLER: -- and that Mr. Santos used this
23 other life vest that was an automatic inflating life vest.
24 There's zero evidence of that.

25 THE COURT: There is zero evidence that he has

1 personal knowledge of that?

2 MS. M. MILLER: No evidence he has personal
3 knowledge of that, no evidence he ever had personal knowledge
4 of that, and it would be inappropriate to leave the jury with
5 that impression when there is no evidence to support it.

6 THE COURT: Well, of course you could always come
7 back on that. You know?

8 MS. M. MILLER: But the problem is, it's
9 un-ringing the bell.

10 THE COURT: I know, but the point is: We could
11 voir dire the witness in aid of an objection, then I would
12 have just sustained the objection if I felt you were correct.

13 MS. M. MILLER: Right.

14 THE COURT: But, okay. Mr. McConwell? So the
15 objection is that you have not established a foundation that
16 the witness has personal knowledge of the type of vest -- is
17 it Mr. Santos -- Santos used?

18 MR. MCCONWELL: I think he's testified that he
19 knows -- he didn't -- he had an auto inflate one.

20 THE COURT: I know, but -- so how does he know
21 that? Was he there? Did he --

22 MR. MCCONWELL: Well, we can ask him.

23 THE COURT: Why don't you ask him that? Why
24 don't you ask him that before we bring the jury out so I know
25 --

1 How do you know, do you know?

2 Go ahead and ask him the question. I'll let you
3 -- it's your case.

4 MR. MCCONWELL: Okay.

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. Mr. Reed, how did you know that the -- Mr. Santos had
7 the auto inflate life vest on?

8 A. I was told he had the auto inflate.

9 MS. M. MILLER: Now my objection is hearsay.

10 BY MR. MCCONWELL: (CONTINUING)

11 Q. Let me finish. That was also written in the NTSB
12 reports; correct?

13 A. Yes.

14 MS. M. MILLER: Again, hearsay.

15 BY MR. MCCONWELL: (CONTINUING)

16 Q. And that's an official document and the factual
17 situations, which is an admissible document?

18 MS. M. MILLER: Where is the --

19 THE COURT: Okay.

20 MS. M. MILLER: Where is the NTSB report?

21 THE COURT: The objection is hearsay, so --

22 MS. M. MILLER: Yes.

23 THE COURT: -- is it, first of all --

24 MS. M. MILLER: No person --

25 THE COURT: Wait, wait. Is it being offered for

1 the truth of the matter asserted, or is it being offered for
2 something else? If it's being offered for the truth of the
3 matter asserted, the objection will be sustained.

4 MR. MCCONWELL: It's offered for the purpose of
5 him drawing his conclusion that he had, not for the truth of
6 it. But it was the type of life jacket that could trap you in
7 a helicopter, just like occurred with Mr. Santos.

8 THE COURT: Okay, but you can't go make that
9 leaping conclusion. I mean, he could always testify that
10 "look, you know what, another type of life vest could cause
11 something else, but the life vest that I'm putting in as
12 exhibit -- whatever number that we're going to give it in a
13 few minutes -- would not do that." He could say that, but he
14 can't -- he can't draw his conclusions based on an NTSB
15 report. So the -- that objection will be sustained in that
16 regard.

17 MR. MCCONWELL: Let me do it this way.

18 THE COURT: Okay.

19 MR. MCCONWELL: I'm going back and --

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. This life vest is the type of life vest --

22 THE COURT: Let's call it Exhibit -- Carmen,
23 what's the next Defense McConwell's exhibit?

24 MR. MCCONWELL: We'll get the number here in a
25 second.

1 THE COURT: Give me the number somebody so we
2 could identify correctly for the record.

3 MS. MCCONWELL: I believe, it's 117.

4 THE COURT: Okay, 1-1-7. Let me confirm that
5 with Carmen real quick.

6 You don't know?

7 All right, we'll just do 1-1-7. Go ahead.

8 BY MR. MCCONWELL: (CONTINUING)

9 Q. Mr. Reed, isn't it true that Exhibit 117 is the type
10 of life vest that has been used by Hansen Helicopters from the
11 inception of the company in 1987, and was continuously used at
12 the last time you were working at the company, which is within
13 the last six months; correct?

14 A. That is correct.

15 THE COURT: Okay, that's a good question. That's
16 legitimate, okay. But the next question --

17 MS. M. MILLER: That was already asked and
18 answered.

19 THE COURT: Right, it was. But the issue of
20 getting, you know, to conclude of that Santos used something
21 other than Exhibit 117, you would have to lay a foundation
22 that's proper.

23 MR. MCCONWELL: We have all these charts that
24 they were putting in and the NTSB reports and summaries of
25 them and all the back up for that is the NTSB reports, but

1 this stuff is covered in the NTSB reports they're relying on.

2 THE COURT: Therefore?

3 MR. MCCONWELL: I mean, I think that should be
4 sufficient foundation, frankly.

5 THE COURT: Well, I mean, okay, it could be, but
6 it's just that the way in which we're -- you're trying to
7 procure this -- obtain this from this witness is -- you got to
8 figure that out. If it's personal knowledge, if it's being
9 offered for the truth of the matter asserted, then it is
10 hearsay, because it's coming from the NTSB report. And so if
11 you have an exception to the hearsay rule, hey, I'll --

12 MR. MCCONWELL: The NTSB report plus being
13 involved in the investigation --

14 THE COURT: Well, if he knows that, if he was
15 personally involved in the investigation, that's one thing.

16 MR. MCCONWELL: Well, he was around when the
17 investigation was taking place.

18 THE COURT: Well, anybody can be around. But the
19 question is: If he was personally involved and he had direct
20 knowledge of -- like, he was there when they did the autopsy
21 or whatever, I don't know.

22 MR. MCCONWELL: I don't think he has that. Why
23 don't we deal with this after we take the break and give us
24 some time --

25 THE COURT: All right, let me give you guys ten

1 minutes' recess. Let's go. The objection will be sustained
2 at this point in terms of hearsay objection, and if you want
3 to establish a foundation that this witness has personal
4 knowledge of the cause of death, you know, you could set that
5 up. If you can't, you can't.

6 MS. M. MILLER: Thank you.

7 THE COURT: All right. Let's take a ten-minute
8 recess and I'll let the jurors have an additional time.

9 (Recess taken at 2:14 p.m.)

10 (Back on the record at 2:35 p.m.)

11 THE COURT: Thank you for your patience and we
12 will go ahead and proceed.

13 Mr. McConwell, you may continue your examination
14 of the witness. Go ahead.

15 BY MR. MCCONWELL: (CONTINUING)

16 Q. Mr. Reed, isn't it true that it is the policy of
17 Hansen throughout, starting in 1987 to current, not to provide
18 self-inflating vests to pilots?

19 A. That is correct.

20 Q. And Hansen has never done that; correct?

21 A. Never.

22 Q. And why have you not done that?

23 A. Say again?

24 Q. Why have you not provided self-inflating life vests
25 to pilots?

1 A. Because it's dangerous.

2 Q. What kind of danger, sir?

3 A. So that they could get out of the helicopter, prevent
4 them from getting out.

5 Q. And staying and drowning; correct?

6 A. Yes.

7 MR. MCCONWELL: Laura, could I please have 829
8 now?

9 THE COURT: Before we continue, do we have a
10 final number on that exhibit; was that the correct number?

11 MR. MCCONWELL: 117, I believe.

12 THE COURT: Is that a definite?

13 MR. MCCONWELL: Yes.

14 THE COURT: That's going to be Hansen
15 Helicopter's Exhibit 117?

16 MR. MCCONWELL: Yes.

17 THE COURT: All right, very well. You may
18 proceed. Sorry, Ms. McConwell.

19 You may go ahead.

20 MR. MCCONWELL: I think it would be D-4 or 5, I
21 don't know what the designation of Hansen is, but 117.

22 THE COURT: So it's Exhibit 117, all right. Very
23 well.

24 (Exhibit 117 marked.)

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. That's been admitted into evidence, I believe, by the
2 government.

3 Can you tell us what this document is, sir?

4 A. It's a document showing all of the names of the
5 companies and the officers, the owners.

6 Q. And Mr. Walker owns 99.9%, I believe Ms. Miller said;
7 correct?

8 A. That's correct.

9 Q. Of all the companies below his name?

10 A. Yes.

11 Q. It shows you have one share, and you didn't pay
12 anything for that share; did you, sir?

13 A. I did not.

14 Q. Of that Hansen Helicopters, Inc.?

15 A. Yes.

16 Q. And you were not involved in the decision-making
17 process for the formation of any of the companies?

18 MS. M. MILLER: Objection, Your Honor. Asked and
19 answered probably three or four times now.

20 MR. MCCONWELL: I want to put it in perspective
21 narrative with the exhibit, Your Honor.

22 THE COURT: I'm sorry? Okay, is there another
23 part to that question, then?

24 BY MR. MCCONWELL: (CONTINUING)

25 Q. My question is: You were not involved in any of the

1 substantive decision-making processes that formed any of these
2 companies, other than Hansen Helicopters, Inc. in 1987, when
3 you were involved, initially?

4 A. That's correct.

5 THE COURT: Okay. And you're referring to
6 Exhibit Number?

7 MR. MCCONWELL: 829, Your Honor.

8 THE COURT: All right, very well. Okay.

9 BY MR. MCCONWELL: (CONTINUING)

10 Q. Have you ever seen the insurance policy that was
11 issued by Caledonian Insurance Company for the aircraft and
12 the corporations?

13 A. No, I did not.

14 Q. Again, that's not something you're involved in, even
15 though you know the existence of it?

16 A. Exactly.

17 Q. Now, do you recall Ms. Miller asking you questions
18 about counterfeit parts in your direct testimony some five
19 weeks ago?

20 A. I don't remember.

21 Q. Do you know what a counterfeit part is?

22 A. (No response.)

23 Q. Counterfeit aircraft part?

24 A. Do I know what it is?

25 Q. Yes, sir.

1 A. It's something that is done without any
2 authorizations or whatever. I mean, I don't know.

3 Q. And you never heard the phrase "owner-produced
4 parts"; is that correct?

5 A. Yes, I heard of it before.

6 Q. Okay. What do you understand owner-produced parts to
7 be?

8 A. They can use it on the helicopters.

9 Q. Pardon me?

10 A. That they could use it on the helicopters, the owner
11 produces the parts.

12 Q. And the owner couldn't resell the parts, though;
13 correct?

14 A. Right.

15 Q. And you're not aware of Hansen Helicopters ever
16 selling any of the owner-produced parts; correct?

17 MS. M. MILLER: Objection, Your Honor.

18 THE WITNESS: Yeah, I'm not aware.

19 MS. M. MILLER: Assumes facts not in evidence.
20 There is no evidence that the defendants made owner-produced
21 parts; yet, his question assumes that in saying, "Is it true
22 Hansen didn't sell their owner-produced parts?" There's no
23 evidence they ever produced parts.

24 THE COURT: Mr. McConwell, on that objection?

25 MR. MCCONWELL: We'll put some evidence in about

1 that, Your Honor.

2 THE COURT: You are going to have evidence?

3 MR. MCCONWELL: It has been brought up by
4 Ms. Miller.

5 THE COURT: I'm sorry. You are going to produce
6 evidence through that effect?

7 MR. MCCONWELL: Yes.

8 THE COURT: To another witness, not through this
9 witness?

10 MR. MCCONWELL: I'm going to ask him a few
11 questions about it, and then we'll have other witnesses to
12 deal with that issue. Mr. Cann extensively testified about
13 this, by the way.

14 THE COURT: All right. So you are going to
15 establish a foundation on this. Okay, go ahead. So I'll
16 listen to the next question.

17 BY MR. MCCONWELL: (CONTINUING)

18 Q. Please take a look, if you would, at Exhibit D-455,
19 Page 3 of 7.

20 MR. MCCONWELL: I don't have it yet.

21 MS. MCCONWELL: It's coming. It's loading.

22 (Pause.)

23 MS. MCCONWELL: Which page?

24 MR. MCCONWELL: 3 of 7.

25 MS. M. MILLER: Your Honor, I'm going to -- we're

1 going to, unfortunately, have to have a discussion outside the
2 presence of the jury before this document is even discussed.

3 THE COURT: I'm sorry, 3 through -- is it 3
4 through 7 or 3 dash -- What is it?

5 MR. MCCONWELL: Page 3 of 7, Exhibit 55. D-455.

6 THE COURT: Is that the only -- the exhibit that
7 we're talking about that's going to be brought up?

8 MR. MCCONWELL: There is going to be another one
9 coming up, and it's 4 of 7, also, Your Honor.

10 THE COURT: So there's 3 of 7 -- or is that what
11 you said?

12 MR. MCCONWELL: 3 of 7.

13 THE COURT: 3 of 7 and 4 of 7?

14 MR. MCCONWELL: Correct.

15 THE COURT: Any other exhibits that you want --
16 going to show him as it relates to this next line of
17 questioning?

18 MR. MCCONWELL: No.

19 THE COURT: Okay. So is this going to take too
20 long on the -- on this?

21 MS. M. MILLER: No, no. We could do it on there.

22 THE COURT: Okay, let's try. Let's try it. Now
23 that we tested it, let's try it.

24 (Sidebar.)

25 THE COURT: Can you hear, Ms. Miller?

1 Ms. Miller, can you hear me?

2 MR. MCCONWELL: I can hear you?

3 MS. M. MILLER: I can hear you. Can you hear me?

4 THE COURT: Mr. McConwell, yes. Mr. Han?

5 MR. HAN: Yes.

6 THE COURT: Go ahead, your objection?

7 MS. M. MILLER: Your Honor, the objection is
8 hearsay. This is a document that the defendants produced at
9 the deposition of Mr. Cann that was signed by a witness named
10 Victor Litkei, who produced these documents. And Victor
11 Litkei never testified, and Victor Litkei has never been put
12 under oath. As you recall -- can you hear me, Your Honor?

13 THE COURT: Yeah.

14 MS. M. MILLER: Oh, I'm sorry. As you recall,
15 Mr. Victor Litkei is Mr. Frank Litkei's son. Mr. Frank Litkei
16 is deceased. They were the owner operators of Spares, Inc.,
17 the manufacturer of the counterfeit parts. We received --
18 issued a grand jury subpoena to Spares, Inc., and we got all
19 of the records from the grand jury subpoena from Spares, Inc.
20 And the assertions made by Mr. Litkei in his affidavit and
21 attached documents were never produced before, so the
22 government contends that these documents were created and
23 fabricated by the defendants for the purposes of their
24 defense. And unless Mr. Victor Litkei actually testifies to
25 the authenticity of these documents and that these are

1 legitimate documents from Spares, Inc., it shouldn't be
2 admissible. It's hearsay.

3 THE COURT: Okay.

4 MR. MCCONWELL: The first one is an invoice
5 created by Mr. Reed.

6 THE COURT: But as per her objection, can you
7 overcome the objection?

8 MR. MCCONWELL: Yes.

9 THE COURT: He's --

10 MR. MCCONWELL: This was produced --

11 THE COURT: This witness would be able to
12 authenticate these documents?

13 MR. MCCONWELL: The first document for sure. The
14 second document, I don't know.

15 THE COURT: Okay. Well, then...

16 MR. MCCONWELL: We'll find out.

17 THE COURT: We'll find out, then. Okay, very
18 well.

19 (End of sidebar.)

20 THE COURT: Did you guys hear us?

21 THE JURY: No.

22 THE COURT: This is our COVID objection. I don't
23 like it, but we got to get used to it.

24 Yeah, go ahead.

25 The objection will be deferred until I hear -- my

1 ruling will be deferred. Go ahead, Mr. McConwell.

2 BY MR. MCCONWELL: (CONTINUING)

3 Q. Mr. Reed, would you take a look at the document. It
4 should be before you, and it's Exhibit 55, Page 3 of 7.

5 A. Yes, I see it.

6 Q. Are you familiar with that document?

7 A. Yes.

8 Q. That's an invoice -- purchase order --

9 MS. M. MILLER: Objection, Your Honor.
10 Objection.

11 MR. MCCONWELL: Let me finish, ma'am.

12 THE COURT: Okay.

13 MS. M. MILLER: Again, don't talk about what the
14 document is.

15 THE COURT: Right.

16 MS. M. MILLER: The question is: Are you
17 familiar --

18 THE COURT: Lay the foundation first.

19 MS. M. MILLER: Right.

20 THE COURT: You can't discuss anything until I've
21 admitted the evidence in. Go ahead.

22 BY MR. MCCONWELL: (CONTINUING)

23 Q. That's a document initiated by you on or about
24 July 23, 2007; correct?

25 A. Yes.

Recross - Reed

1 MS. M. MILLER: I'm going to ask to voir dire the
2 witness on this document, Your Honor?

3 THE COURT: Okay. Well -- okay, you may do so,
4 but is there any other questions, Mr. McConwell?

5 MR. MCCONWELL: He's identified it's his
6 document, so --

7 THE COURT: She wants to voir dire the witness in
8 aid of an objection, so I'm going to allow her do so. Go
9 ahead.

10
11 VOIR DIRE EXAMINATION

12 BY MS. M. MILLER:

13 Q. Mr. Reed?

14 A. Yes, ma'am.

15 Q. You didn't sign this document; did you?

16 A. No, I did not.

17 Q. Who signed the document?

18 A. I'm not sure. Looks like one of the mechanics.

19 Q. Mr. Jewel?

20 A. Yes.

21 Q. So your name is preprinted on here; is that correct?

22 A. That is correct.

23 Q. Are you telling this jury that you specifically
24 remembered this particular document, sir, from 2007?

25 A. I don't remember this particular document, no.

Recross - Reed

1 Q. Okay.

2 MS. M. MILLER: Your Honor, I renew my objection.
3 Just because his name is preprinted on the document, if he
4 doesn't remember the document, he cannot authenticate the
5 document.

6 THE COURT: Do you have any further questions on
7 that?

8 MR. MCCONWELL: I do, Your Honor.

9 THE COURT: All right. Go ahead.

10 BY MR. MCCONWELL: (CONTINUING)

11 Q. Mr. Reed, is this the type of purchase order that you
12 submitted to Spares, Inc. or Mr. Litkei for a tail rotor pitch
13 link --

14 MS. M. MILLER: Objection, Your Honor.

15 THE COURT: Hold on.

16 Before you answer, let me -- Let's hear the
17 question first.

18 Go ahead.

19 BY MR. MCCONWELL: (CONTINUING)

20 Q. Is this the type of document that you submitted to
21 Spares, Inc. requesting particular parts be manufactured that
22 are described on this document?

23 THE COURT: Okay, hold on. Objection?

24 MS. M. MILLER: The objection, Your Honor, is
25 again, irrelevant because of "type of document". The witness

Recross - Reed

1 either recognized a document, which he just said he does not
2 recognize the document, even though his name is on it. It was
3 preprinted on it. He didn't even recognize the name of the
4 employee who has signed this document; therefore, he doesn't
5 have any personal knowledge about the document. And to
6 question him and say, "well, is this the type of document?"
7 That's not relevant.

8 THE COURT: Mr. McConwell, your response?

9 MR. MCCONWELL: This is the document that is
10 typically maintained in the ordinary course of business
11 concerning purchase --

12 THE COURT: Okay. I'm sorry, hold on. So you're
13 withdrawing the last question, you're starting a new question?

14 MR. MCCONWELL: Yes, I am.

15 THE COURT: Okay, withdrawn. Next question.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. Is this the type of document that you regularly
18 submitted to Spares, Inc. and other vendors, and Spares, Inc.,
19 in this particular instance, in the ordinary course of
20 business at Hansen, in your capacity, is the person who
21 submitted -- request invoice -- invoice or purchase orders?

22 THE COURT: Hold on, hold on.

23 MS. M. MILLER: Objection, Your Honor. He's, I
24 believe, attempting now to designate Mr. Reed as a record's
25 custodian for Hansen Helicopters, and he is not laying a

1 proper foundation for a record's custodian exception to the
2 hearsay rule under 8036. So he would have to establish that
3 Mr. Reed is a record's custodian of this type of document and
4 that he recognizes this type of document to be that type of
5 document normally kept in the course of the business.

6 THE COURT: Mr. McConwell?

7 So you're going to withdraw your question and
8 start again?

9 MR. MCCONWELL: I am going to start again.

10 THE COURT: Okay, next one.

11 BY MR. MCCONWELL: (CONTINUING)

12 Q. Is this the type of document that's maintained in the
13 ordinary course of business by the persons that reported to
14 you at Hansen?

15 MS. M. MILLER: Objection, Your Honor. "By the
16 persons who reported to him"? There's been no foundation that
17 anyone reported to him.

18 THE COURT: Okay, objection will be sustained.
19 Mr. McConwell.

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. Did you have anyone reporting to you that would be
22 maintaining records of purchases -- purchase orders?

23 A. Can you repeat that?

24 Q. Did you have anyone in a 2007 timeframe that reported
25 to you that maintained records of purchase orders that you

1 might have initiated?

2 A. The parts guys. If they want to order something,
3 they go ahead and order it. They don't necessarily have to
4 have my knowledge --

5 Q. So --

6 A. -- or my say so to go ahead and do it.

7 Q. Is this the type of document that is initiated by the
8 parts department for purchase orders?

9 A. Yes.

10 Q. Third parties?

11 MS. M. MILLER: Your Honor, I'm going to object
12 and move to strike. That is an insufficient foundation for a
13 business record, number one. Number two, Mr. Reed on voir
14 dire said he does not recognize this document. Therefore, how
15 can he lay the foundation for it to be admitted to this jury?

16 THE COURT: Mr. McConwell?

17 MR. MCCONWELL: Is this --

18 THE COURT: I'm sorry, you're withdrawing your
19 question?

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. Well, are these --

22 THE COURT: Wait. You are?

23 MR. MCCONWELL: Yes.

24 THE COURT: Okay, next question.

25 BY MR. MCCONWELL: (CONTINUING)

Recross - Reed

1 Q. Are these documents typically maintained in the
2 ordinary course of business, this format, for purchase orders
3 of parts by Hansen Helicopters during the period of 2007?

4 A. Yes.

5 MS. M. MILLER: Objection, Your Honor. Lack of
6 foundation under 8036. 8036 has a very specific requirement
7 for laying a foundation for a record's custodian, which
8 Mr. McConwell has not done. I'd be happy to do it for him.
9 And if Mr. Reed can establish that he's a record's custodian,
10 fantastic. If he can't, then we can move on.

11 THE COURT: Mr. McConwell, go ahead. You may
12 continue to try to lay the proper foundation.

13 BY MR. MCCONWELL: (CONTINUING)

14 Q. Who's the record's custodian at Hansen Helicopters?

15 A. The parts guys has their -- has a file with these
16 records in it. When they order something, they put it in
17 there. I don't necessarily see it all the time.

18 Q. Did you see any of those purchase orders; from
19 Spares, for example?

20 A. Only some, yes.

21 Q. Let me go back --

22 MR. MCCONWELL: Well, I'll still offer the
23 document, Your Honor.

24 THE COURT: I'm sorry, you're moving to admit
25 this document at this time?

1 MR. MCCONWELL: Yes.

2 THE COURT: Prosecution?

3 MS. M. MILLER: Yes, Your Honor. Again, under
4 8036 of the Federal Rules of Evidence, he would have to
5 establish that the record was made at or near the time with
6 information that is normally transmitted by someone with
7 knowledge, that's 8036(a); (b), that the record was kept in
8 the course of regularly-conducted business activities of the
9 business, (b); (c), that making the record was a regular
10 practice of that activity; (d), that all these conditions are
11 shown by the testimony of the custodian or other qualified
12 witness to comply with (a), (b), and (c), and the opponent
13 does not show that the source of the information or the method
14 or circumstances of presentation lack trustworthiness.

15 As I've stated, Your Honor, this was a document
16 that was submitted with a hearsay affidavit of someone who has
17 not testified, so there is a lack of trustworthiness. If
18 Mr. Reed said, "I recognize this document," then I would
19 agree. But he does not.

20 THE COURT: All right. The objection will be
21 sustained at this time. There is not a proper foundation
22 laid.

23 MR. MCCONWELL: Okay.

24 BY MR. MCCONWELL: (CONTINUING)

25 Q. Do you recall Ms. Miller making the statements or

1 asking you the question: "Hansen Helicopters bought
2 counterfeit parts for years; correct?"

3 And your answer: "Yes, ma'am."

4 You don't know that; do you, sir?

5 A. Can you repeat that again?

6 Q. She asked you the question: "Hansen Helicopters
7 bought counterfeit parts for years -- for years; correct?"

8 And you said: "Yes, ma'am."

9 You don't know that specifically, and you can't give
10 us any timeframe at all; can you, sir?

11 MS. M. MILLER: Objection, Your Honor. Improper
12 impeachment.

13 THE COURT: Overruled.

14 Go ahead. Can you answer?

15 THE WITNESS: Well, I said "yes" because you're
16 all saying about these -- the parts aren't counterfeit, but --
17 BY MR. MCCONWELL: (CONTINUING)

18 Q. Well, you're assuming that the Spares parts were
19 counterfeit; correct?

20 A. Yes, by what you guys were saying.

21 Q. Pardon?

22 A. By what you guys were saying.

23 Q. They're not owner-produced parts? Or do you know
24 what that is?

25 A. The owner-produced parts are parts that's made by the

1 owner.

2 Q. Or for the owner; correct?

3 A. Or for the owner.

4 MS. M. MILLER: Objection. Counsel is
5 testifying. Mr. McConwell is testifying.

6 THE COURT: Mr. McConwell?

7 MR. MCCONWELL: I'm entitled to lead, Your Honor.

8 MS. M. MILLER: Move to strike. The witness said
9 his definition of owner-produced parts are parts made by the
10 owner. Mr. McConwell, then, testified "or for the owner".
11 That's not correct. He's testifying. We have to hear from
12 the witness, not Mr. McConwell.

13 THE COURT: All right, overruled. Go ahead. Go
14 ahead.

15 THE WITNESS: Read the question back, I'm sorry.

16 THE COURT: Read that question, Veronica.

17 (Whereupon the reporter read back requested
18 portion.)

19 THE COURT: Okay, next question.

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. So if Hansen Helicopters ordered parts that they --
22 from Spares, they participated in the manufacture of the part;
23 is that an owner-produced part?

24 A. I think that I'm not the one to make that decision,
25 whether it's owner-produced or not.

1 Q. Have you ever taken time to look at the 21.9 of the
2 Federal Aviation Regulations or Advisory Circular 4318 and
3 2062(d) that explains owner-produced parts?

4 MS. M. MILLER: Objection, compound question.

5 THE COURT: Sustained. Rephrase.

6 BY MR. MCCONWELL: (CONTINUING)

7 Q. Have you ever looked at any of the regulations with
8 regard to definitions of owner-produced parts?

9 A. I have not.

10 Q. Did you say that on the day of Cann deposition?

11 A. Say that again?

12 Q. Did you say it on the day of Cann deposition?

13 A. (Shook head.)

14 Q. Did you hear Mr. Cann testify?

15 A. Mr. Cann?

16 Q. The former AFS300 director for flight standards
17 maintenance?

18 A. No.

19 Q. You didn't sit on that deposition?

20 A. No.

21 Q. And you've done no research, you just accepted
22 Ms. Miller's statement "these are counterfeit"; you didn't do
23 any further research to see whether she was right or wrong?

24 A. I did not.

25 Q. And then she says that the FBI seized a number of

1 these counterfeit parts when it searched Hansen Helicopters
2 back in October 2016; correct?

3 A. Yes.

4 Q. And you said that, "yes"?

5 That was the search warrant; correct?

6 A. (Nodded head.)

7 Q. Again, these counterfeit parts, you had no idea
8 whether she was right or wrong about that; did you?

9 A. That is correct.

10 Q. And the company that Hansen Helicopters bought these
11 counterfeit parts from is a company called Spares, Inc., and
12 your answer was "yes"?

13 A. That's correct.

14 Q. Again, you don't know whether they're counterfeit
15 parts or owner-produced parts; do you, sir?

16 A. Right, I do not.

17 Q. Are you aware that -- are you aware of a pitch --
18 tail rotor pitch link blank?

19 A. Yes.

20 Q. And isn't that what you ordered from time to time
21 from Spares, Inc.?

22 A. That's correct.

23 Q. And that's the type of invoice that we looked at a
24 minute ago that you hadn't seen the particular invoice;
25 correct?

1 MS. M. MILLER: Objection, Your Honor. We're
2 going back to the invoice that was not properly -- the
3 foundation was not properly laid for it.

4 MR. MCCONWELL: I'll withdraw the question.

5 THE COURT: All right, question withdrawn. Go
6 ahead.

7 BY MR. MCCONWELL: (CONTINUING)

8 Q. But you initiated or are aware that Hansen, in the
9 ordinary course of business, initiated purchase orders for
10 these pitch -- these tail rotor pitch link blanks, right?

11 A. Yes.

12 Q. And you were involved in some of them -- or actually
13 signed it and some of your parts people signed them?

14 A. That's correct.

15 Q. Now, do you know whether or not a pitch link blank is
16 actually an aircraft part?

17 A. No, I do not.

18 Q. And are you aware that there is work that needs to be
19 done in the form of inspection by Hansen concerning pitch link
20 blanks and the installation of components before it could
21 become --

22 MS. M. MILLER: Objection. Compound question,
23 Your Honor.

24 MR. MCCONWELL: May I finish, please?

25 THE COURT: Okay. Finish, please.

1 BY MR. MCCONWELL: (CONTINUING)

2 Q. Before it can become an aircraft part?

3 A. I'm aware that when it comes in, that the bearings
4 and stuff are put into it and make a complete part.

5 Q. And that's put in by the Hansen mechanics; correct?

6 A. Yes, that's correct.

7 Q. And then it becomes an aircraft part?

8 A. That's correct.

9 Q. And are you aware of the final inspection of those
10 parts, the pitch link -- with the bearings, are called pitch
11 link assemblies, tail rotor pitch link assemblies; are you
12 aware that they are, then, utilized by Hansen as a
13 owner-produced part?

14 A. Yes.

15 Q. And they perform the final inspections before they're
16 released for installation?

17 A. Yes.

18 Q. And do you know, approximately, when Hansen first
19 started using Spares, Inc. to produce for them tail rotor
20 pitch link blanks?

21 A. I don't remember the date.

22 Q. And you have no memory of it a month ago when you
23 testified either; correct?

24 A. Yeah, correct.

25 Q. Yet, you said, "I guess, somewhere around, what, 1996

1 and 1998," to Ms. Miller in her question; correct?

2 A. I don't remember.

3 Q. But you have no memory of that; do you?

4 A. No, I don't remember when we started buying parts
5 from those guys. I don't know.

6 Q. And so this particular answer is just not true;
7 correct?

8 A. Yes.

9 Q. And you -- the question Ms. Miller asked you was:
10 "The mechanics were instructed to install these counterfeit
11 parts on the helicopters; correct, sir?"

12 And you said: "Yes, ma'am."

13 But again, she called them counterfeit parts. There
14 is nothing wrong with installing owner-produced parts on your
15 aircraft; is there?

16 A. You guys have been calling this counterfeit parts.

17 Q. Pardon?

18 A. You guys have been calling this counterfeit parts,
19 and I'm just going along with it. I'm not --

20 Q. The government's been calling them counterfeit
21 parts --

22 A. Yes.

23 Q. -- and you've just been going along with it.

24 A. Counterfeit parts, but I have -- it's not been proven
25 that it's counterfeit. I don't know.

1 Q. And you do know that when parts are made by -- for
2 them by Spares that are finished off by the installation of
3 the bearings, these are not resold to anybody else; correct?

4 A. That's correct, they're not sold to anyone.

5 Q. As a matter of fact, Hansen frequently disassembles
6 helicopters entirely and just uses the parts; correct?

7 A. Yes.

8 Q. And then Ms. Miller asked you: "Now, specifically,
9 I'd like to talk about a part called a tail rotor pitch
10 link -- pitch changed link; are you familiar with that part?"

11 And you said: "Yes."

12 That was the correct answer; wasn't it, sir?

13 A. Yes.

14 Q. And you really were talking about the assembly with
15 the bearings installed; correct?

16 A. That's correct.

17 Q. But you're not a mechanic; are you?

18 A. I am not a mechanic.

19 Q. And you never really participated in any installation
20 of --

21 A. No, nothing.

22 Q. Or any installation of the bearings, the two bearings
23 that fit in the parts?

24 A. Nothing at all.

25 Q. Then you said you and Mr. Kapp directed the purchase

1 of the tail rotor pitch link blanks; correct?

2 And you said: "That's correct."

3 But it was really the parts department that would
4 direct the request for manufacture of the tail rotor pitch
5 links, right?

6 A. Yes.

7 Q. And you were always ordering pitch link blanks that
8 weren't aircraft parts; correct?

9 A. Yes.

10 Q. Then you said: "Hansen Helicopters never provided
11 Spares, Inc. with a formal design drawings; is that correct?"

12 And you said: "Yes, ma'am."

13 But you don't know that; do you, sir?

14 A. I don't know that for sure, no, I do not.

15 Q. But -- you don't have any idea how this came about
16 originally or whether it was a joint design or design was
17 provided by Hansen or just by Spares or --

18 MS. M. MILLER: Objection, Your Honor.

19 BY MR. MCCONWELL: (CONTINUING)

20 Q. -- both involved?

21 MS. M. MILLER: Compound question, speculation.
22 Mr. McConwell is testifying.

23 THE COURT: All right, the objection will be
24 sustained as to compound question and speculation, so...

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. You have no idea how the design was arrived at for
2 the parts; correct?

3 A. Yeah, I do not.

4 Q. And then you were asked the question again by
5 Ms. Miller: "Hansen Helicopters never provided Spares, Inc.
6 with instructions on how to manufacture these parts; is that
7 correct?"

8 And you said: "That is correct."

9 That's not --

10 A. I have no knowledge of that.

11 Q. You have no knowledge of it. That's not a true
12 answer; is it?

13 A. It's not a true answer.

14 Can I make a statement or anything?

15 MR. PEREZ: I'd ask that he confer with Counsel
16 first.

17 THE COURT: Okay, confer with your attorney. He
18 wants to talk to you.

19 (Pause.)

20 THE COURT: Mr. Perez?

21 MR. PEREZ: I don't know if there was a question
22 pending that he intends to respond to.

23 THE COURT: No, there wasn't. He already
24 answered the question, and then he opted to add something.

25 MR. PEREZ: I think he wanted to supplement his

1 answer.

2 THE COURT: Oh, supplement his answer. All
3 right. You may supplement your answer, if your Counsel --

4 THE WITNESS: What we do is we would send the
5 parts off to Spares, we would send them a copy, and they would
6 make the parts according to that copy that we sent them.

7 BY MR. MCCONWELL: (CONTINUING)

8 Q. And that went on for many, many years; correct?

9 A. Yes.

10 Q. Then Ms. Miller asked you: "What part -- when the
11 parts came in, they weren't properly packaged; correct?"

12 And you said: "Yes."

13 You had no idea whether -- what proper packaging for
14 those parts would be; do you?

15 A. No.

16 Q. So that was an incorrect answer?

17 A. (Nodded head.)

18 Q. And you're the one sign --

19 MS. M. MILLER: I didn't hear his response.

20 THE COURT: His response?

21 Was that an incorrect answer?

22 THE WITNESS: Yeah. I mean, they come in, in
23 boxes. They come in boxes, they're opened, they're, you know,
24 either wrapped up or just put in a box.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. They come in, in boxes, they're opened, and they're
2 inspected by Hansen, and then used; correct?

3 A. Yes.

4 Q. Or then modified with the bearings?

5 A. Yes.

6 Q. But you don't know what proper packaging is -- or you
7 consider -- was properly packaged?

8 A. Yeah, I don't -- I mean...

9 Q. You said to Ms. Miller: "That is correct."

10 Was that your instruction --

11 A. Well, I wasn't sure what she was saying. I mean, she
12 was showing a part that was from the factory that was -- had
13 in a package. That's what she was showing us.

14 Q. But she was testifying this is a legitimate part; do
15 you recall her saying that?

16 A. Yes, it was a legitimate part from the manufacturer
17 from --

18 Q. There wasn't any evidence in the record --

19 MS. M. MILLER: I'm going to move --

20 THE COURT: Hold on, hold on.

21 MS. M. MILLER: I wasn't testifying. I'm going
22 to move to strike that statement that I was testifying. I
23 provided Mr. Reed with a legitimate part from a legitimate
24 manufacturer and just asked him to describe it.

25 THE COURT: All right, very well.

1 MR. MCCONWELL: Her statement that it was a
2 legitimate part from a legitimate manufacturer, but there was
3 no evidence to that, other than what she was saying, Your
4 Honor.

5 MS. M. MILLER: Mr. McConwell stipulated to the
6 fact that was a legitimate manufacturer, if you recall, Your
7 Honor.

8 MR. MCCONWELL: Laura may correct me, I do not
9 recall that. But anyway, that's beside the point.

10 THE COURT: Did you want to confer with your --
11 Mr. McConwell, do you want to confer?

12 MR. MCCONWELL: It's not material. We'll go on.

13 THE COURT: Okay. Go ahead, you may proceed.

14 BY MR. MCCONWELL: (CONTINUING)

15 Q. But anyway, you didn't know whether it was a
16 legitimate part or not; correct?

17 A. That's correct.

18 Q. And you saw the stamping, and I think it's here
19 someplace.

20 MR. MCCONWELL: Your Honor, may I approach the
21 witness?

22 THE COURT: Sure, yup. And you're grabbing --

23 MR. MCCONWELL: I'm moving so slow.

24 THE COURT: What's that?

25 MR. MCCONWELL: I haven't had my surgery yet.

1 THE COURT: That's okay, don't worry. We're all
2 getting slow.

3 What is that exhibit number, Mr. McConwell,
4 please?

5 MR. MCCONWELL: It's Exhibit 2956.

6 THE COURT: 2-9-5-6. And the question is: Does
7 he recognize it? Is that the question?

8 BY MR. MCCONWELL: (CONTINUING)

9 Q. Is that the part that she handed you?

10 A. Yes.

11 Q. But you don't know whether that's a legitimate part
12 or not; do you, sir?

13 A. That's correct, I don't.

14 Q. You can tell from the part itself that that's a
15 stamped number on it that would, under salt water, disappear,
16 ultimately; correct?

17 A. Yes.

18 Q. So it doesn't make a difference whether it comes from
19 the factory with the part number or not, it's going to be gone
20 very quickly after use?

21 A. Yes.

22 Q. Then you were asked: "Do you remember the photograph
23 that the pilot produced showing a piece of fabric, it had to
24 be stuck through the tail rotor pitch link -- or change link,
25 pitch change link so that it actually would be tight enough?"

1 You said: "Yes, ma'am."

2 And then she asked you: "And some of these
3 helicopters crashed; correct, sir?"

4 And you said: "Yes, ma'am."

5 Is that -- was that a correct answer?

6 A. I don't remember it.

7 Q. Well, there is an inference that they crashed because
8 of the tail rotor pitch link. But are you aware of any
9 failure of a tail rotor pitch link assembly installed by
10 Hansen mechanics or Vanuatu lessees -- lessors, I mean, that
11 failed and caused a crash?

12 A. I'm not aware of it.

13 Q. And you've never -- you're not aware of any -- or are
14 you aware of any failure -- a crash caused by a pitch link
15 blank manufactured for Hansen by Spares, Inc.?

16 A. Yeah, that's correct, I don't -- I'm not aware of
17 any.

18 Q. And were you the one that the company would receive
19 notices of an accident when they would occur?

20 A. Say that again?

21 Q. You're in a position in the company that if there'd
22 been an accident involving a pitch link control point blank or
23 assembly, you would have been informed of that if it did, in
24 fact, occur, since 1987?

25 A. I could have heard about it from somebody, but not --

1 Q. Weren't you the one that had conversation with the
2 boats from time to time, and you're the one that had the
3 initial contract was entered into; correct?

4 A. Yes.

5 Q. And you knew all the contact people?

6 A. Yes.

7 Q. And you surely -- if there had been a crash or some
8 problem that would cause the lack of use of the helicopter,
9 you'd be informed of that right away, right?

10 MS. M. MILLER: Your Honor, I'm going to object.
11 The witness already said that he would not necessarily have
12 been aware of every accident or the cause of the accident. He
13 already testified to that.

14 MR. MCCONWELL: Let me rephrase it.

15 THE COURT: Mr. McConwell -- so you're
16 withdrawing the last question?

17 MR. MCCONWELL: I'd like to rephrase it.

18 THE COURT: Okay, very well. Withdrawn and
19 rephrase, go ahead.

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. In your position, you were -- handled all the
22 communications involving crashes one way or the other and had
23 been in that job for many, many years; correct, at Hansen?

24 A. I would not be aware of all of the crashes that
25 happened, and I would not see all of the reports.

1 Q. What did you do with regard to accident notifications
2 that you got, then; how was that handled within Hansen?

3 A. It was handled by either Mr. Crowe or Mr. Walker.

4 Q. You were asked questions by Ms. Miller about the
5 Vanuatu companies having no assets, and you said: "Yes."

6 Her question was: "And so when --

7 Oh, this was a cross-examination question.

8 And so when you were -- told Ms. Miller earlier that
9 "these companies had no assets," that was incorrect; wasn't
10 it, sir?

11 And you said: "Yes."

12 You corrected yourself?

13 A. Yeah.

14 Q. But when she asked you the question, you said: "No,
15 there were no assets."

16 That was wrong, because each of them owned at least
17 one helicopter?

18 A. Yes.

19 Q. When you had discussions with regard to the
20 establishment of the 1999 U.S. corporations, you were asked
21 this question by Ms. Miller: "So you have a lawyer giving you
22 advice on creating a shell corporations and ends up an
23 ownership interest in a company; correct?"

24 And you said: "Yes."

25 But she said: "That is a conflict of interest; isn't

1 it, sir?"

2 And you said: "Yes."

3 Now, first of all, the lawyer was Mr. Ledger, who was
4 being referred to; correct?

5 A. Yes, that's correct.

6 Q. And Mr. Ledger was involved in the creation of the
7 eight U.S. corporations; correct?

8 A. Yes.

9 Q. But he was not involved in the creation of the
10 Vanuatu corporations or the incorporation of those companies
11 in 2000 and later; correct?

12 A. I think so, yes.

13 Q. It's your memory that he was not involved; correct?

14 A. Yes.

15 Q. And did you have any idea what she meant by "conflict
16 of interest"?

17 A. No.

18 Q. Now, with regard to Wilma's Air, Wilma's Air is a
19 Vanuatu corporation; correct?

20 A. Yes.

21 Q. And it coordinated for the other Vanuatu corporations
22 -- um, the revenues that came in from the boats?

23 A. Yes.

24 Q. But it was not a U.S. corporation?

25 A. (No response.)

1 Q. Correct?

2 A. Did you ask me a question?

3 Q. It's not a U.S. corporation; Wilma's?

4 A. No.

5 Q. But you told Ms. Miller you think it was a U.S.
6 corporation?

7 A. (No response.)

8 Q. But you don't know one way or the other; do you?

9 A. No, I do not.

10 Q. You were asked by Ms. Miller concerning the boats:
11 "They thought they were paying for FAA-registered helicopters;
12 correct?"

13 You said: "I think so, yes."

14 "QUESTION: You think so?

15 "ANSWER: Well, yes.

16 "QUESTION: Yes, because that is what was on the
17 lease; correct?

18 "ANSWER: Yes."

19 But you don't know what the boat owners thought;
20 correct?

21 A. That's correct.

22 Q. And what they wanted was an airworthy helicopter to
23 perform 700 hours a year pursuant to contract?

24 MS. M. MILLER: Objection, Your Honor. He has no
25 knowledge of what they wanted. Object to the form of the

1 question, lack of personal knowledge, speculation.

2 THE COURT: Sustained.

3 Mr. McConwell?

4 MR. MCCONWELL: So strike both questions, then,
5 of what they thought?

6 THE COURT: We'll strike the last question, and
7 he didn't answer so...

8 MR. MCCONWELL: The one I read to you, that on
9 Page 159 of the transcript of the testimony -- I'm sorry, 259.

10 THE COURT: Okay. No, I'm just striking the
11 question that you just asked the witness.

12 And if you want to rephrase it, you may do so.

13 MR. MCCONWELL: I'm saying they thought they were
14 paying for U.S.-registered -- FAA-registered helicopters. He
15 said, "I think so." I said that should be stricken, too, if
16 my question is stricken.

17 THE COURT: Okay. What do you want -- you want
18 it stricken where? What do you want stricken? If I'm
19 striking --

20 MR. MCCONWELL: The point is -- let me just
21 rephrase.

22 THE COURT: Okay, I'm getting confused.

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. You just don't know what was in the minds of the boat
25 owners; correct?

1 A. That is correct.

2 Q. But you do know that you had a contract that provided
3 for: If there's downtime, there was a credit made; if there
4 was overtime, there was a \$685 charge for hours over the
5 700 hours. And it was all sorted out at the end of the year
6 with each contract; correct?

7 A. Yes, that's correct.

8 Q. And did you ever have a boat owner come to you and
9 complain that you didn't furnish airworthy helicopters to
10 fully perform the contracts?

11 A. No.

12 Q. And that goes back to, as long as you've been doing
13 this business, and that could be 20-plus years; correct?

14 A. Yes.

15 Q. And certainly, since 1992, there's been no boat owner
16 complaining about failure by the company to provide an
17 airworthy helicopter; correct?

18 A. Correct.

19 MR. MCCONWELL: Your Honor, could we take a few
20 minutes and let me --

21 THE COURT: Sure. You want to just -- what do
22 you want to do? You want to just talk to Ms. McConwell?

23 MR. MCCONWELL: Well, I probably need a little
24 bit more time than that, but no more than five minutes; or if
25 you want to, we can take a ten-minute break for a minute. I

1 will do --

2 THE COURT: You want a ten-minute recess?

3 MR. MCCONWELL: I'm trying to wrap this up
4 tonight so we don't go over.

5 THE COURT: Very well. Ladies and gentlemen,
6 let's take a ten-minute recess. Keep an open mind. Do not
7 form or express any opinion on this case until it's submitted
8 to you.

9 Please rise for the jury. And we will be --
10 yeah, recess for today is at 4:00 p.m.

11 (Jury out at 3:21 p.m.)

12 THE COURT: Okay, take a ten-minute recess. Very
13 well.

14 (Recess taken at 3:22 p.m.)

15 (Back on the record at 3:44 p.m.)

16 THE COURT: Call in the jury. You ready to go,
17 Mr. McConwell?

18 MR. MCCONWELL: Yes, Your Honor.

19 THE COURT: Do you have any further questions?

20 MR. MCCONWELL: I do.

21 THE COURT: You'll be able to be finished by
22 4:00?

23 MR. MCCONWELL: I don't think so. I'll have some
24 tomorrow, but it won't be too extensive, I don't think. We're
25 going through a major group of documents that we need to

1 establish in and it's going to take a little time.

2 MS. M. MILLER: I'm sorry, I didn't hear what he
3 just said.

4 MR. MCCONWELL: We're going through some
5 documents that'll take a little time to go through.

6 THE COURT: Okay, all right. I thought we were
7 trying to streamline this.

8 MR. MCCONWELL: I was, but when we looked at it,
9 I forgot one major category I wanted to cover.

10 THE COURT: Okay. We'll call in the jury, then.

11 MR. MCCONWELL: That's why Laura is here with me.

12 THE COURT: Got it.

13 MR. MCCONWELL: I'm not allowed to touch the
14 exhibits either, so...

15 THE COURT: Okay.

16 (Jury in at 3:45 p.m.)

17 THE COURT: Welcome back, ladies and gentlemen of
18 the jury. Thank you for your patience. Mr. McConwell had to
19 just work on some exhibits and was able to finalize them.

20 So go ahead, Mr. McConwell, you may proceed.

21 MR. MCCONWELL: Thank you, Your Honor.

22 THE COURT: Just for the record, we have about 12
23 minutes before we recess for the day. Go ahead.

24 BY MR. MCCONWELL: (CONTINUING)

25 Q. Mr. Reed, how did you accumulate and document hours

1 flown by helicopters in the early -- in '87 when you started
2 with the company?

3 A. We never kept records like that.

4 Q. You didn't accumulate the hours any time?

5 A. No.

6 Q. Do you recall a single sideband radio communications
7 at 10:00 on Wednesdays?

8 A. Yes.

9 Q. Or Tuesdays, I believe?

10 A. Yes.

11 Q. Do you recall that? And what was that all about?

12 A. That was if they had a problem or something.

13 Q. They'd report their hours, too?

14 A. They -- I don't -- I don't remember reporting any
15 hours.

16 Q. But that was a communication by every boat to the
17 Saipan radio with the --

18 A. Yes.

19 Q. -- with the headquarters?

20 A. Yes.

21 Q. And how, as time passed, did you communicate with the
22 boats to acquire the same information -- type of information?

23 A. Repeat that question.

24 Q. Did you start communicating by satellite telephone,
25 by e-mail, or how did you continue to communicate progressing

1 up through current?

2 A. I think it was usually by Telex or...

3 Q. Telex only?

4 A. Or -- yeah, satellite phones or just the single
5 sideband radio.

6 Q. Did you have a regular schedule for communications
7 like you did back in the early days?

8 A. No, not really.

9 Q. Were there any type of weekly reports sent in to you?

10 A. No.

11 Q. How about in 2010 timeframe on, had there been weekly
12 reports utilized to accumulate the hours?

13 A. I don't remember when we started recording the hours
14 and accumulating them. I don't remember when we started that.

15 Q. But whenever that was, you were the person that
16 actually did the accumulation?

17 A. I wasn't the first one, no. Somebody else was.

18 Q. Who was the first one?

19 A. I'm not sure, I don't know.

20 Q. Okay. Then you did at some point; can you tell me,
21 approximately, when?

22 A. (Pause.) I just don't remember, I'm sorry.

23 Q. And what format did you receive the weekly
24 information in?

25 MS. M. MILLER: Your Honor, I'm going to object.

1 He said he didn't remember the weekly information, now we're
2 asking questions about the weekly information he doesn't
3 remember.

4 THE COURT: Okay, sustained.

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. You accumulated weekly information; correct?

7 A. By e-mail.

8 Q. You collected it; correct?

9 A. Yes.

10 Q. And I'm asking you what format did you collect it on?

11 A. We received it in by e-mail.

12 Q. And what did you receive by e-mail?

13 A. The weekly reports.

14 Q. Okay.

15 A. Hour reports.

16 Q. And what did you do with that information?

17 A. I recorded it and then filed it.

18 Q. Recorded it and then filed it.

19 A. (No response.)

20 Q. And you did this each week or...

21 A. Yeah, each week.

22 Q. Would you please put up Exhibit Government 278.

23 Can you tell us what Exhibit 278 is?

24 A. That's a weekly report.

25 Q. And was this -- is it a fair statement to say that

1 these reports started in, approximately, 2013?

2 A. Yes.

3 Q. Okay. Let's go across and tell the jury what this
4 report is and how it's utilized within Hansen.

5 A. This is a weekly report done by each -- each
6 helicopter, each one, giving the hours and the readings on the
7 aircraft engine.

8 Q. Okay.

9 MR. MCCONWELL: Your Honor, if he touches the
10 screen, will that leave a mark on the screen?

11 THE COURT: Yeah. Do you want him to?

12 MR. MCCONWELL: I do. There are several things I
13 want you to mark.

14 THE COURT: Well, it hasn't been admitted yet.

15 Has this been admitted or is there a stipulation?
16 Are you guys trying to have this admitted?

17 MR. MCCONWELL: I'll offer -- it's their exhibit
18 and I'm offering it.

19 MS. M. MILLER: First of all, let's clarify.
20 This is a defense document. It's an exhibit the government
21 marked, but it is not our exhibit. I have no objection to
22 this exhibit being admitted, Your Honor.

23 THE COURT: All right. Exhibit number, what is
24 it?

25 MS. M. MILLER: 278.

1 THE COURT: Ladies and gentlemen of the jury,
2 Exhibit 278 will be admitted without objection. And, yes, if
3 you would like him to -- maybe you might want him to practice,
4 sometimes it gets a little wobbly.

5 What do you want him to do?
6 (Exhibit 278 admitted.)

7 MR. MCCONWELL: I'm going --

8 THE COURT: So ladies and gentlemen, this can be
9 published at this time.

10 Yes, go ahead, Mr. McConwell.

11 BY MR. MCCONWELL: (CONTINUING)

12 Q. Now, this document, there is one of these submitted
13 for each aircraft that's out on the boat on a weekly basis?

14 A. That's correct.

15 Q. And you said that ranges from 35 to 40 at any given
16 time?

17 A. Yes.

18 Q. Now, let's go across the top and go through each
19 category, and I'm going to have you put your finger there in
20 yellow a couple of things.

21 First of all, you have the date; correct?

22 A. Say again?

23 Q. The date?

24 A. Yes, the date.

25 Q. And that happens to be September, 2018; correct?

1 A. Yes.

2 Q. Then you have "Attention: Parts at Hansen
3 Helicopters, Inc."; that's your parts department?

4 A. Yes.

5 Q. And this document is used to order parts and bring
6 headquarters up-to-date on what the status of maintenance --
7 ongoing maintenance?

8 A. Yes.

9 Q. And this is light maintenance, this is not heavy
10 maintenance; correct?

11 A. Correct.

12 Q. All right. The next category, you've got the pilot.
13 Who is that in this instance?

14 A. Jing De Guzman.

15 Q. And you have a mechanic?

16 A. Yes.

17 Q. And very frequently your mechanics are
18 Philippine-certified mechanics, right?

19 A. Yes.

20 Q. Certificated mechanic, that be aircraft or air --

21 MS. M. MILLER: I'm sorry, I --

22 MR. MCCONWELL: Air frame and power plant --

23 MS. M. MILLER: Hold on. I'm having difficulty
24 hearing Mr. McConwell, first. So if we can go back to the
25 question about the pilot.

1 THE COURT: You want a repeat on -- Veronica,
2 what was the question regarding the pilot?

3 Hold on, Mr. McConwell. From the pilot down to
4 the -- start with the pilot, Ms. Veronica.

5 THE COURT: Is that better, everyone?

6 MS. M. MILLER: It is better, yes. Thank you,
7 Your Honor.

8 THE COURT: So Veronica -- hold on.
9 Mr. McConwell, we will hear from Veronica.

10 (Whereupon the reporter read back requested
11 portion.)

12 MS. M. MILLER: Yes, Your Honor. So the
13 objection, Your Honor, is lack of foundation. There's been no
14 foundation laid that Mr. Reed has any knowledge or information
15 that these pilots were certificated in the Philippines or the
16 mechanics were certificated in the Philippines.

17 So without that foundation, I'm very concerned
18 about the jury hearing that and there is no evidence to
19 support.

20 THE COURT: Yes, Mr. Martin?

21 MR. MARTIN: On cross-examination of him earlier,
22 I asked him if every pilot and every mechanic was
23 certificated, and he answered "yes," Your Honor. So that's an
24 improper objection. He specifically said every one of them is
25 certificated.

1 MS. M. MILLER: And this is the problem, Your
2 Honor. It is apparent now, I would believe to everyone, that
3 Mr. Reed is having a lot of difficulty with his memory.

4 THE COURT: Let's not comment on the evidence.

5 MS. M. MILLER: Yes.

6 THE COURT: Let's not comment on the witness.

7 MS. M. MILLER: Yes.

8 THE COURT: Keep that to yourself.

9 MS. M. MILLER: So there's been no foundation
10 laid about any evidence that's been collected about these
11 pilots being certificated in the Philippines.

12 THE COURT: All right. So the Court will
13 overrule the objection and I'll let the jurors recall what
14 they can recall about any examination made with this witness,
15 whether it's direct, cross, redirect from any of the
16 attorneys. So I will overrule the objection at this time.

17 And what was the last question, Veronica?

18 (Whereupon the reporter read back requested
19 portion.)

20 MR. MCCONWELL: Airframe and power plant is what
21 I was about to say.

22 THE COURT: So go ahead and re-ask the question,
23 then. Go ahead.

24 BY MR. MCCONWELL: (CONTINUING)

25 Q. The mechanic would be an airframe and power plant

1 certificated mechanic from the Philippines; correct?

2 A. That is correct.

3 Q. And this gentleman, do you recognize him as one of
4 the Philippine mechanics precisely or just know that
5 90 percent of your mechanics are Philippine certified?

6 A. I think 100% of the mechanics are Filipino.

7 Q. Okay. And they're all qualified certificated
8 mechanics?

9 A. Yes.

10 Q. And they received training when they come to Hansen
11 before they could even work on a boat at all; correct?

12 A. Yes.

13 Q. And all their work is in international waters?

14 A. Yes.

15 Q. On a tuna boat; correct?

16 A. Yes.

17 Q. And the pilots are flying only in international
18 waters from a tuna boat; correct?

19 A. Yes.

20 Q. And your mechanics all have certificates from their
21 home country, whether it be the Philippines, Spain, Brazil, or
22 otherwise?

23 MS. M. MILLER: Objection. Compound and, again,
24 lack of personal knowledge.

25 THE COURT: Mr. McConwell, your response?

1 MR. MCCONWELL: I'll rephrase.

2 THE COURT: Okay, so withdraw the question and
3 rephrase. Go ahead.

4 BY MR. MCCONWELL: (CONTINUING)

5 Q. You have personal knowledge that all the pilots are
6 certificated from their country?

7 A. From their home country, yes.

8 Q. And they come and -- you have involvement with them
9 when they come to Guam; correct?

10 A. Yes.

11 Q. And they're all trained before they're released to
12 the --

13 A. Yes.

14 Q. -- tuna boats; correct?

15 A. Yes.

16 Q. Unlike Mr. Walker when he came, he wound up going
17 right out on a tuna boat with no training at all; do you
18 recall that?

19 A. Yes.

20 THE COURT: You got one minute, Mr. -- before we
21 recess.

22 MR. MCCONWELL: I'll just say one more thing,
23 then we can stop, Your Honor.

24 THE COURT: Okay.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. There's been argument here, what you call an opening
2 statement or other about greed. Mr. Walker is not a greedy
3 person; is he, sir?

4 MS. M. MILLER: Objection, Your Honor. First of
5 all, lack of personal knowledge, speculation, argumentative.
6 The jury's going to draw its conclusions about that.

7 THE COURT: Okay. Well, let -- we will -- the
8 Court will rule -- at this time, the Court will sustain the
9 objection. It calls into the character of the defendant, but
10 I'll sustain the objection for now. We'll get into that
11 later.

12 MR. MCCONWELL: As for lack of personal knowledge
13 in the question; is that correct, Your Honor?

14 THE COURT: For all the reasons stated, but we'll
15 -- the Court will come back to that question. We'll discuss
16 that later.

17 All right, ladies and gentlemen, we'll go ahead
18 and recess for the day. I want to thank you very much for
19 coming back, staying healthy. We'll see you tomorrow morning.
20 We will start bright and early, 8:15, and we'll have the same
21 schedule as we have been having -- as we've been having, and
22 the Court will provide lunch for all of you and snacks. Have
23 a safe evening.

24 You may take your notebooks back there, but keep
25 an open mind. Do not form or express any opinion on this case

1 until it's submitted to you. Do not speak to anyone in any
2 subject connected to the trial.

3 In addition, ladies and gentlemen of the jury,
4 stay away from all social media, accessibility with regards to
5 this case, all right? Thank you. Please rise for the jury.
6 And I will see you tomorrow morning. Take care.

7 (Jury out at 4:02 p.m.)

8 THE COURT: We're outside the presence of the
9 jury.

10 Mr. McConwell, so you're wanting to get into the
11 character of your client about greed or -- not being greedy?

12 MR. MCCONWELL: Right.

13 THE COURT: Is that correct?

14 MR. MCCONWELL: From his personal knowledge and
15 observations and experience. We've got specific reasons and
16 --

17 THE COURT: All right. So you're going to lay
18 the foundation that this witness would know about your
19 client's -- I'm sorry, not your client -- but Mr. Walker's --

20 MR. MCCONWELL: Mr. Martin.

21 THE COURT: I'm sorry?

22 MR. MCCONWELL: Mr. Martin's client.

23 THE COURT: Mr. Martin's client I meant to say, I
24 apologize. Mr. Martin's client, that's right. That's right
25 because you're representing Hansen Helicopters corporation.

1 So you're going to present evidence that this
2 witness is very familiar with Mr. Walker, his -- how he
3 conducts himself with his -- I guess, his character, really?

4 MR. MCCONWELL: And his employees, his practices.
5 He's very familiar with that, since 1987.

6 THE COURT: All right. Well, if you lay the
7 foundation properly, we could get into that. I mean, you're
8 objecting to his character into evidence, but there's
9 different ways to do it by reputation or opinion evidence.

10 MS. M. MILLER: Yes, but under 609 of the Federal
11 Rule of Evidence, Your Honor, it's only the witness's
12 character for truthfulness or untruthfulness.

13 There isn't a general character -- I mean, it is
14 inappropriate under the Federal Rules of Evidence. And we
15 will do some research tonight and bring case law, but Your
16 Honor, I refer the Court to Rule 608 which says: That the
17 witness character for truthfulness or untruthfulness is
18 admissible. But general character for something like greed?
19 That is so subjective and that has to do with the motivation
20 of the defendant, and the jury -- motivation isn't an element
21 of the crime, first of all. That's why character evidence
22 outside of truthfulness or untruthfulness is not admissible.
23 And --

24 THE COURT: I'm aware of that rule, so --

25 MS. M. MILLER: Yes.

1 THE COURT: Yes, Mr. Martin?

2 MR. MARTIN: That rule applies to witnesses not a
3 defendant, Your Honor. If she would read the rule, it says
4 "witnesses". The defendant's credibility, I believe, is
5 covered under a different rule.

6 THE COURT: I'll look at it. You guys, we'll see
7 how you flush it out tomorrow. We'll look at --

8 MS. M. MILLER: Yes.

9 THE COURT: We'll look at the rule. But we have
10 -- I guess he's going to say that -- I guess he's saying that
11 the door is open through opening statement. But of course
12 opening statement is not evidence.

13 MS. M. MILLER: That's right.

14 THE COURT: The issue is: If it's brought in
15 during the course of the trial as evidence, then of course
16 that might be a different story.

17 MS. M. MILLER: Right.

18 THE COURT: But I don't recall that necessarily
19 being brought in, as of yet, but we'll see -- we'll flush that
20 out tomorrow morning.

21 MS. M. MILLER: Your Honor, the other thing I
22 think we should address is timing. Now, we're still on
23 cross-examination of Mr. Reed and we're finished with trial
24 for the day.

25 THE COURT: Remember, we didn't go for the day,

1 though.

2 MS. M. MILLER: No, I know. We only went a half
3 a day, but a lot of the questions are being: "Ms. Miller
4 asked you this, this was your answer, is that true; Ms. Miller
5 asked you this.

6 If we do this, I have to adjust how long the
7 government's case is going to take, because now we're at least
8 four weeks.

9 THE COURT: All right. Well -- okay, putting
10 that aside, how much longer do you have with this witness?

11 MR. MCCONWELL: Less than an hour.

12 THE COURT: All right, very well. Let's be
13 mindful of how we're doing. I don't think he's actually
14 wasting time, Ms. Marie Miller. I don't think so. I mean,
15 he's trying to streamline it to the extent that he can, so...
16 If I felt it was getting out of line, it was being repetitious
17 and accumulative, waste of time, then I would bring it up, but
18 I think he's trying to stay on track. So I'll cut
19 Mr. McConwell a little slack here.

20 All right, you're doing okay there? You're doing
21 okay?

22 THE WITNESS: Yeah.

23 THE COURT: Okay. If you need --

24 THE WITNESS: I got a headache, but other than
25 that.

1 THE COURT: I think a lot of people have
2 headaches. This trial is a headache sometimes.

3 THE WITNESS: Yeah.

4 THE COURT: All right. I'll see all of you
5 tomorrow morning. We'll start bright and early. Take care,
6 and we'll look at this issue on --

7 MR. MCCONWELL: 8:15.

8 THE COURT: That's right.

9 MS. M. MILLER: Are we going to meet earlier to
10 discuss the credibility -- or the character evidence issue?

11 THE COURT: We will meet at 7...

12 MS. M. MILLER: 30?

13 THE COURT: Yeah. We start -- yeah, 7:30 a.m.
14 Let's meet at 7:30 a.m.

15 MS. M. MILLER: Thank you, Your Honor.

16 THE COURT: Unless you guys come to an agreement.

17 MS. M. MILLER: Yes, Your Honor.

18 THE COURT: I'll let you guys talk about it, and
19 you guys agree that -- because I don't recall his -- I don't
20 recall evidence of greed being brought in, as of yet. I do
21 recall maybe in opening statement, but again, that's not
22 evidence.

23 Yes?

24 MR. MARTIN: The problem we have, Your Honor, is
25 if they don't put on a witness that says Jon Walker is greedy,

1 then how are we going to get to rebut it?

2 MS. M. MILLER: The jury can infer whether he's
3 greedy or not. Greed is motivation.

4 THE COURT: Hold on. If a prosecutor or defense
5 Counsel presents opening statement, then it's what they expect
6 their evidence will be.

7 MS. M. MILLER: Right.

8 THE COURT: So if the -- I'm going to assume that
9 the prosecution is going to have evidence that Mr. Walker was
10 greedy.

11 MS. M. MILLER: It's going to be an inference the
12 jury can make, Your Honor.

13 THE COURT: No, I know, but -- so whether it's an
14 inference or by direct evidence?

15 MS. M. MILLER: Correct.

16 THE COURT: So if the prosecution is going to
17 bring that on, then the Court can conditionally admit the
18 questioning of the witness --

19 MS. M. MILLER: Absolutely.

20 THE COURT: -- on Reed. You see what I'm saying?
21 Because, I mean, no prosecutor, no defense attorney should not
22 be making an opening statement without being sure that that's
23 what they want to put on as evidence.

24 MS. M. MILLER: Oh, yeah, and there isn't going
25 to be direct evidence of his greed, but there is going to be a

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1 ton of circumstantial evidence of money being the motivator
2 for a lot of the defendant's actions and failure to act, so
3 that's definitely going to come out. But to ask a witness to
4 actually testify based on his own opinion about whether the
5 defendant is or is not greedy, is absolutely inappropriate.
6 And we'll have case law tomorrow morning, Your Honor, to
7 present you on that point.

8 MR. MCCONWELL: I have a solution.

9 THE COURT: Yes, go ahead.

10 MR. MCCONWELL: I withdraw the question so we
11 don't have to come in at 7:30. We'd like to have breakfast at
12 the hotel.

13 MS. M. MILLER: Come on. Get up earlier and have
14 breakfast. We're never going to get this trial done.

15 THE COURT: The question is withdrawn?

16 MR. MCCONWELL: That's right.

17 THE COURT: All right, very well. Question
18 withdrawn. By the way, the hotel that you guys are staying
19 at, I'm pretty sure that the manager would make sure that you
20 guys have your breakfast on time, at 7:00 or earlier.

21 MS. MCCONWELL: We tried that last time, it
22 didn't work.

23 THE COURT: It should work. I actually spoke to
24 the manager. I said, "hey, I got these attorneys who have
25 issues with their breakfast time."

1 MR. MCCONWELL: My favorite meal.

2 THE COURT: Yeah, I know.

3 MR. MCCONWELL: We're all recovering. We came in
4 Thursday night, too, so we're all the same level.

5 THE COURT: We're jet lagging. All right, so
6 I'll see all of you -- since the question is withdrawn, so be
7 it. All right, see you guys tomorrow. We'll start at 8:15.

8 MS. M. MILLER: Thank you, Your Honor.

9 THE COURT: Thank you, all. Take care.

10 MS. S. MILLER: Thank you, Your Honor.

11 (Proceedings concluded at 4:10 p.m.)

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1 May 10, 2022; 8:22 a.m.; Hagatna, Guam

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4 THE COURT: We'll call the case up. And I think
5 Steve is --

6 (Discussion with clerk.)

7 THE COURT: Did he fix it? We just had a slight
8 delay because of our sidebar microphones, not -- whatever this
9 is called. Earphones. All right. We'll call the case up.

10 THE CLERK: Good morning, Your Honor. This is
11 Criminal Case No. 18-00010, *United States of America v. John*
12 *D. Walker and Hansen Helicopters*, Jury Trial, Day 7.

13 Counsel, please state your appearances, beginning
14 with the government.

15 MR. LEON GUERRERO: *Buenas and hafa adai*, Your
16 Honor. Stephen Leon Guerrero on behalf of the United States.
17 Also present are Special Assistant U.S. Attorneys, Marie
18 Miller and Samantha Miller.

19 MS. M. MILLER: *Hafa adai*, Your Honor.

20 MS. S. MILLER: *Hafa adai*.

21 THE COURT: *Hafa adai*. Good morning.
22 Ms. Miller, Ms. Miller and Mr. Leon Guerrero.

23 MR. MARTIN: Good morning, Your Honor, Mack
24 Martin appearing on behalf of John Walker, who is also to my
25 left and present.

1 THE COURT: Good morning, Mr. Martin and
2 Mr. Walker.

3 MR. MCCONWELL: Good morning, Your Honor. Edward
4 McConwell appearing on behalf of Hansen Helicopters along with
5 Laura McConwell and Edward Han.

6 THE COURT: Okay. Good morning. Mr. Han, Ms.
7 McConwell, Mr. McConwell. Ready to proceed, Counsels?

8 MR. MCCONWELL: Yes.

9 THE COURT: Okay. Very well. We'll call in the
10 jurors and -- so you know, I think we're good to go. It
11 sounds like on the mics. So our IT guy knows this -- I guess
12 he was fixing it early, just now. So we are good.

13 So let me just say, you don't need to do speaking
14 objections. Just object. If you're going to object, say
15 "hearsay." You don't have to tell me why it's hearsay, I
16 think I can figure it out. If it's assuming facts not in
17 evidence, just say that. If it's lack of foundation, just
18 tell me that. That's all you need to do. Then we could avoid
19 having everybody come up to like congregate on the, you know,
20 aggravating thing. It's not that aggravating, but it's a
21 little cumbersome, let's put it that way.

22 And so I just -- just stick with the specific
23 objection, you should know them, evidentiary objections under
24 the Federal Rules and then I think I could rule on that. I'm
25 pretty sure I can. Okay, we'll call in the jurors; okay,

1 thank you, Mr. Perez.

2 MR. PEREZ: Morning, Your Honor.

3 THE COURT: Please rise for the jury.

4 (Jury in at 8:25 a.m.)

5 THE COURT: All right. Please be seated. *Hafa*
6 *adai* and good morning, everyone. I'm sorry for the slight
7 delay here, we wanted to -- we had to get my IT guys to work
8 on the earphones and microphones for our objection
9 conferences.

10 So thank you for your patience and we're ready to
11 proceed. We'll continue on with the examination,
12 Mr. McConwell, you still have further questions, sir? So yes,
13 witness, you're still under oath.

14 MR. MCCONWELL: Is this microphone working okay
15 now?

16 THE COURT: Yes, it is, can you all here?
17 Prosecutors?

18 MS. M. MILLER: Yes, Your Honor.

19 THE COURT: And then maybe, Mr. McConwell, take
20 the mics and just go like this. Bring it like towards the
21 center.

22 MR. MCCONWELL: I got the head mic in my tie.

23 THE COURT: Maybe just move it over anyway
24 because sometimes you pressure -- maybe in --

25 MR. MCCONWELL: I've been brushing this way.

1 THE COURT: Right. Bring it in towards you.
2 There you go, that's better. There you go, I think we're
3 going to be good. Okay.

4 MR. MCCONWELL: Okay.

5 THE COURT: (Nodded head.)

6 BY MR. MCCONWELL: (CONTINUING)

7 Q. I'd like to refer to Exhibit 2900, 1 through 6.

8 THE COURT: Okay. Has that already been admitted
9 or not admitted?

10 MR. MCCONWELL: This has been admitted. To my
11 understanding it is.

12 THE COURT: Has been previously admitted. Let me
13 just confirm with my --

14 MS. M. MILLER: No, Your Honor. So Exhibit 2900
15 has not been admitted into evidence, yet, but the government
16 would move it into evidence.

17 THE COURT: Okay, 2900, 1 through 6.

18 MS. M. MILLER: Hold on, 2900 in its entirety the
19 government would move into evidence, Your Honor.

20 MR. MARTIN: Which I object, Your Honor.

21 THE COURT: Hold on a second. Just for -- okay,
22 so -- so it has not been admitted. And it's 2900, it's not
23 just 1 through 6, there's a whole -- it's a whole other --

24 MS. M. MILLER: It's all of the leases.

25 (Discussion with clerk.)

1 MR. MCCONWELL: How many pages?

2 THE COURT: Just a minute. Just a minute. What
3 is it?

4 MR. MCCONWELL: How many pages is this exhibit?

5 MS. MCCONWELL: It's six pages and on the -- on
6 the 15 -- well, the entire exhibit is 4300 pages. What was
7 admitted on the 16th of March were pages 1 through 6.

8 THE COURT: Okay, so if it's already been
9 previously admitted, then we'll move on. All right. Okay,
10 we'll move on, 2900, 1 through 6 has been admitted.

11 THE CLERK: Yes, ma'am.

12 THE COURT: So hold on one second. All right.
13 We're good. 2900, 1 through 6, has been previously admitted
14 and -- already, and, okay, you may show it to the witness and
15 it could be published. You may proceed.

16 MR. MCCONWELL: Thank you, Your Honor.

17 BY MR. MCCONWELL: (CONTINUING)

18 Q. Mr. Reed, this is one of the contracts that you were
19 involved with; is that correct?

20 A. Yes.

21 Q. This is one discussed by the government with you in
22 direct examination. I'd like to go back to this contract
23 briefly and point out a few of the sections. And when you get
24 to a point, I'll ask you to mark a yellow part, yellow by
25 yellow with your finger, particular sections, okay?

1 THE COURT: Well, first of all, have you done
2 that before? I can't remember, have you used your finger on
3 that?

4 THE WITNESS: Yeah.

5 THE COURT: You have? Oh, okay.

6 THE WITNESS: It's in green.

7 MR. MCCONWELL: We'll take green.

8 THE COURT: He'll take green. All right.

9 BY MR. MCCONWELL: (CONTINUING)

10 Q. Mr. Reed, thank you. Now, this is one of the
11 contracts and this happens to be --

12 THE COURT: Hold on, one second. Do me a favor,
13 can you make that guys a little bigger font size? Zoom it out
14 or make it bigger. Yeah let's --

15 MR. MCCONWELL: Wrong way.

16 MS. MCCONWELL: I have to do this to make it
17 bigger, I'm just having trouble when I --

18 THE COURT: Take your time. Just pull up the top
19 there. You're fine, you're good.

20 MS. MCCONWELL: What I was going to say is, when
21 I go back to the full screen, for some reason page -- it zooms
22 back. So I'll just go back to showing it this way.

23 THE COURT: It's just hard to read.

24 MS. MCCONWELL: Yes, ma'am.

25 THE COURT: What are you having a problem with?

1 That's good.

2 MS. MCCONWELL: When I go back to full screen, it
3 gets it out of my zoom mode, so we'll just go here.

4 THE COURT: Yeah. Let's do it that way. It's a
5 lot easier to see.

6 MS. MCCONWELL: Yes, ma'am.

7 THE COURT: And I think, well, at least for me to
8 see and the other fact-finders -- I mean the fact-finders and
9 then the witness. Can you see that okay, sir?

10 THE WITNESS: (Nodded head.)

11 THE COURT: Is that better?

12 THE WITNESS: Yeah.

13 THE COURT: Okay. Go ahead.

14 BY MR. MCCONWELL: (CONTINUING)

15 Q. With regard to this particular document, February 27,
16 2015, contract; correct?

17 A. Yes.

18 Q. And this is with Bravo Air, Inc., a Vanuatu
19 corporation, and TSP Marine Industries Limited a/k/a Nupla
20 Solwara at Section 54; do you see that?

21 A. Yes.

22 Q. Now, is that particular TSP Marine Industries, is
23 that a sub company with one of your major boat owners?

24 A. Yes.

25 Q. And we'll get into that later. And this involves a

1 369 model helicopter. And if we scroll down to page 2,
2 please. At the top, it says, "This lease shall commence and
3 delivery of the aircraft will occur when the aircraft arrives
4 in international waters," do you see that?

5 A. Yes.

6 Q. Would you mark that with your marker, your finger?
7 What I just read?

8 A. (Witness complied.)

9 Q. Then we go down to the next section.

10 THE COURT: Okay. And what -- he's marking, is
11 that page 2 of 2900?

12 MR. MCCONWELL: It's page -- 2900, page 2, I
13 think.

14 THE COURT: Okay. Section 2, at least.

15 MR. MCCONWELL: Yes.

16 THE COURT: Very well. Thank you.

17 MR. MCCONWELL: Laura, if you could pull it down
18 a minute, we could confirm that. It's got a "G" number at the
19 top right there.

20 MS. MCCONWELL: It's 2900-2.

21 MR. MCCONWELL: At the top, right-hand corner
22 it's 2900-2, that'll be page 2.

23 THE COURT: Very well. Thank you.

24 MR. MCCONWELL: That's 2 of 40-some hundred
25 ultimately.

1 THE COURT: 26.

2 BY MR. MCCONWELL: (CONTINUING)

3 Q. Okay. The next section, do you see that, sir?

4 A. Section 3?

5 Q. Section 3, "rent and other charges"?

6 A. Yes.

7 Q. And the amount of the rent is \$40,000; correct?

8 A. Say again?

9 Q. The amount of the rent, per month, that the lessee
10 boat pays is forty thousand hundred -- \$40,000 per month?

11 A. Yes.

12 Q. Would you underline that, please?

13 MS. MCCONWELL: Just a moment, Your Honor.

14 THE COURT: Yes, go ahead.

15 MS. MCCONWELL: I -- when I move the screen, it
16 moves his marking and so it was my understanding when we did
17 this ahead of time, that we'll need to then do a screen shot.

18 THE COURT: That's right. We need to do that.
19 We have not done that. Let's get -- let's go back to --

20 MS. MCCONWELL: So I'm back to where we started
21 and I think he could make it -- I won't move it until we take
22 the screen shot.

23 THE COURT: Right, you are absolutely right.

24 MS. MCCONWELL: I apologize for the interruption.

25 THE COURT: No, no, no. We need to do that, I'll

1 have my clerk do that.

2 MR. MCCONWELL: A screenshot.

3 THE COURT: We're going to take it right now.

4 We'll take it, the Court will take the screenshot. So ladies

5 and gentlemen, we'll take a screenshot so that when you get

6 this as evidence in the deliberation room, you'll get the

7 mark, you'll see the marking on it. But we have to take a

8 screenshot. She's right. Ms. McConwell is correct. So once

9 my courtroom clerk takes the screenshot, then we could move on

10 to the next question. So hold on, one second, one second.

11 Taking a screenshot.

12 MR. MCCONWELL: I know you tap somewhere and the

13 underline is removed, but I don't know where it is.

14 THE COURT: I'm sorry, what was that?

15 MR. MCCONWELL: I know we're going to the next

16 section, but will that stay there then?

17 THE COURT: We can remove it.

18 MR. MCCONWELL: Well, let's move down to the next

19 section. Cursor.

20 THE COURT: Let me see if we got the screenshot

21 done. Hold on.

22 Carmen, do you have it done?

23 THE CLERK: Yes, ma'am.

24 THE COURT: Let's go to the next one then. Next

25 section that you want to --

1 MR. MCCONWELL: I got a black screen.

2 MS. MCCONWELL: I have a black screen.

3 THE CLERK: Can you unplug and re-plug?

4 THE COURT: There we go. Okay.

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. Now we're down to Section 3. Could you
7 underline \$40,000 dollars per month?

8 THE COURT: Do you want him to do anything else
9 on Section 3?

10 MR. MCCONWELL: There will be some more. We'll
11 move down to the next section. Hopefully the line will stay
12 where it is. Next paragraph.

13 THE COURT: I don't think it will. Take the
14 screenshot.

15 THE CLERK: Yes, ma'am.

16 THE COURT: Hold on. We'll take a screenshot.
17 Can you make that full size on the screen?

18 MS. MCCONWELL: Well, when I do, then it get
19 small.

20 THE COURT: Oh, odd.

21 MS. MCCONWELL: See, I can do this.

22 THE COURT: Go return back to where you were.
23 How about to the top right there? See on the very top right,
24 no, no, see on the top of the there. Up up up, keep going up,
25 big square, no, the middle one, there try that. And then try

1 pulling the white.

2 MS. MCCONWELL: Try again?

3 THE COURT: I don't know.

4 MS. MCCONWELL: It looks bigger.

5 THE COURT: It looks bigger kind of. Okay. I'll
6 just have IT come down maybe they can come help you. That's
7 fine. It's okay, keep going, you're fine.

8 MS. MCCONWELL: Enlarge it again.

9 THE COURT: Don't worry about it. We'll get it.
10 I'll have my IT guys. Maybe they can assist you. Pull that
11 back, there we go. You want to re-do it again? Put
12 underneath it. So okay, just really nicely, gently. Uh-huh.
13 Okay, very nice. All right. Stop. Stop. Okay, go ahead,
14 take picture. We'll get it down. I think we need a stylus.
15 I think a stylus is better than our fingers but I don't know
16 where's my stylus here. I'll try to find one.

17 (The Court handed witness a stylus.)

18 THE COURT: Why don't you go like this, Mr. --
19 Mr. Kapp[sic]. Yeah, yeah. Go right, just test it.

20 THE WITNESS: It won't work.

21 THE COURT: Oh, it doesn't work?

22 THE WITNESS: No.

23 MR. MCCONWELL: Do you know what that arrow is in
24 the upper right-hand corner? Upper right? Does that --

25 THE COURT: Anyway, just tell Steve to come down.

1 And then I think you have a stylus in my desk in my pencil box
2 or something.

3 MR. MCCONWELL: It's gone now, Carmen. Is that
4 what you did?

5 THE CLERK: Yes, sir.

6 MR. MCCONWELL: Let's let Carmen, she can remove
7 it. We'll go to the next one.

8 BY MR. MCCONWELL: (CONTINUING)

9 Q. The third paragraph, if you would, sir. It's not
10 far. Keep going. Back up.

11 MS. MCCONWELL: There?

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. "Lessee agrees to provide up to 700 hours flight time
14 for 12-month period of the lease, hours flown in excess of
15 700 hours. Excess flight hours will be billed annually at the
16 rate of 685.71." Underline that sentence, those two
17 sentences, please.

18 A. Yes.

19 THE COURT: Carmen, don't -- we don't have a
20 stylus that goes with this, Carmen?

21 (Discussion with clerk.)

22 MR. MCCONWELL: Can you take a photo shot of
23 that, please?

24 THE COURT: Yeah, we'll do that.

25 Like even when you're doing a credit card with

1 your signature, it's very difficult with your finger.

2 MR. MCCONWELL: Do we have a screenshot taken?

3 THE CLERK: Yes, sir.

4 MR. MCCONWELL: Go ahead and remove that please,
5 Carmen.

6 MS. M. MILLER: Your Honor. I have a stylus.
7 May I approach the witness?

8 THE COURT: Oh, okay. Yeah, thank you. That's
9 nice. Hopefully yours will work. My eraser didn't. Want to
10 check that out? You want to just --

11 THE WITNESS: Oh, okay.

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. The next one I want you to underline is "the downtime
14 credit is to be computed at a rental rate of \$1,290.32 per
15 day"?

16 A. So you want me to start with the downtime credit?

17 Q. The downtime credit, yes.

18 MS. M. MILLER: Is it working?

19 THE WITNESS: It's -- it's shaking, it's jumping.

20 BY MR. MCCONWELL: (CONTINUING)

21 Q. It's now dots.

22 A. Yeah. It's just now dots.

23 THE COURT: Just use your hands then. Use your
24 finger. You're getting a little better at it any way.

25 THE WITNESS: Do you want this back?

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1 MS. M. MILLER: No, you can keep it.

2 THE COURT: She doesn't want it. Okay, just
3 leave it there.

4 THE WITNESS: How far do you want me to
5 underline?

6 BY MR. MCCONWELL: (CONTINUING)

7 Q. Go up all the way to the end of the sentence. That
8 provision is in case there is a mechanical problem with the
9 helicopter, you have to switch out helicopters; correct?

10 A. That is correct.

11 Q. And that all -- all that, the overage usage and
12 downtime credit and all settle up at the end of each year?

13 A. Yes.

14 Q. Just get a photo shot of that.

15 THE CLERK: It's done.

16 THE WITNESS: You want me to test it or?

17 THE COURT: Yeah. Can you test it, just like any
18 line. It's not working, huh?

19 THE WITNESS: No.

20 THE COURT: Okay.

21 MR. MCCONWELL: We could go ahead and he could
22 actually underline the next paragraph. And then we get the
23 photo shot of the entire both photographs, if you like.

24 THE WITNESS: Where it says downtime credit?

25 MR. MCCONWELL: You got downtime credit that

1 sentence. Then I want you to drop down to, "it is further
2 agreed" in the next paragraph. Go ahead all the way through
3 the first two sentences. "It's further agreed that excess
4 flight hours and downtime days will be computed on an annual
5 basis beginning on the date of delivery of the aircraft. To
6 the extent the downtime days exceed the amount of billable
7 excess flight hours upon receipt of instructions, lessee will
8 issue a cash refund or credit lessee at the time of the
9 downtime credit. Do you see that? Underline all that,
10 please.

11 THE COURT: All the way down to down credit rate,
12 is that what you just said?

13 MR. MCCONWELL: Yes. All the way down to credit
14 rate.

15 THE COURT: Okay.

16 THE WITNESS: Down to there?

17 THE COURT: Okay. We'll take a screenshot.

18 MR. MCCONWELL: We'll have quite a few more, Your
19 Honor.

20 THE COURT: I don't know what's going on.

21 MR. MCCONWELL: Finished with that? Did we get
22 the photo shot?

23 THE COURT: She's getting it right now. One
24 second. Done.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. Now the purpose of this discussion about downtime
2 credits and all and setting up the end of the year, is to
3 resolve any issues on a performance of the contractor or any
4 complaints that the boat owner has or any problems you have
5 and that is settled up every year; correct?

6 A. Yes, that is correct.

7 Q. And the boat owners throughout your career, have not
8 complained about the settlement amount that's occurred on an
9 annual basis for every boat for the entire time?

10 MS. M. MILLER: Objection. Hearsay.

11 THE COURT: Okay. Let me hear the question
12 please, I don't know if --

13 (Whereupon the reporter read back requested
14 portion.)

15 THE COURT: All right. Objection is hearsay.

16 Mr. McConwell, are you offering for the truth of
17 the matter asserted.

18 MR. MCCONWELL: I'm just asking whether or not
19 there were complaints.

20 THE COURT: Well, that calls for hearsay.

21 MR. MCCONWELL: I guess it is.

22 THE COURT: Okay, so sustained.

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. If complaints had been made by any boat owner,
25 there'd be some record of it kept in the records of Hansen

1 Helicopters; correct?

2 MS. M. MILLER: Objection, Your Honor, lack of
3 foundation.

4 THE COURT: Sustained, want to set up the
5 foundation, his knowledge.

6 MR. MCCONWELL: No. I'm asking him if a
7 complaint happened to be arrived at or had received, it would
8 be a record of it in the permanent records of Hansen
9 Helicopters.

10 THE COURT: Right. So her objection is that
11 there has not been -- there is a lack of foundation laid about
12 his knowledge.

13 BY MR. MCCONWELL: (CONTINUING)

14 Q. You would be the one to make a record of any
15 complaint; correct?

16 MS. M. MILLER: Objection. Leading, Your Honor,
17 and this is a witness that works for the defendants.

18 MR. MCCONWELL: I think we're entitled to lead.
19 The Court ruled on that a month ago, six weeks ago.

20 THE COURT: Overruled, go ahead.

21 BY MR. MCCONWELL: (CONTINUING)

22 Q. You understand the question?

23 A. Repeat the question.

24 Q. Okay. If a complaint had been made, you would be the
25 one they would come to you and you'd be the one to make an

1 entry about it in the records before the settlement is arrived
2 at; correct?

3 A. Yes, that's correct.

4 Q. And there have been no such entries made by you of
5 any complaint concerning --

6 A. That's correct.

7 MS. M. MILLER: Objection. Hearsay.

8 THE COURT: Overruled. Okay, he's established
9 he's got knowledge. Okay. Overruled.

10 BY MR. MCCONWELL: (CONTINUING)

11 Q. And wouldn't that mean there'd been full performance
12 by Hansen or for the maintenance part and the Vanuatu
13 corporations as the lessor by providing a helicopter, a
14 mechanic and a pilot for those periods of time?

15 MS. M. MILLER: Objection. Compound question,
16 Your Honor.

17 THE COURT: Sustained. You want to break it
18 down.

19 MR. MCCONWELL: Well, I can't --

20 (Whereupon the reporter read back requested
21 portion.)

22 BY MR. MCCONWELL: (CONTINUING)

23 Q. Number 1, helicopter?

24 A. Correct.

25 Q. Number 2, pilot?

1 A. Yes.

2 Q. And No. 2 or No. 3, mechanic?

3 A. Yes.

4 Q. Let's take a look at page 4, if you would, please.

5 Paragraph 6.

6 A. Section 6?

7 Q. Section 6, I'm sorry. "While aboard the fishing
8 vessel, flight plans and objectives will be at the direction
9 -- and direction -- at the discretion and direction of the
10 captain of the vessel or its designee. With respect to flight
11 safety, weather conditions, the actual aviation maintenance of
12 the aircraft, all judgments and authority will reside with the
13 pilot and/or the mechanic of the aircraft." Would you
14 underline that whole section for us, please?

15 A. (Witness complied.)

16 Q. Doesn't that mean that the captain or the fish
17 master, as the case may be, maintains operational control over
18 the aircraft that are involved in fish spotting?

19 A. Yes.

20 Q. Let's go down to the next Section 8, if we could.
21 "The registration and title of the aircraft shall be in the
22 name of the lessor and the aircraft at all times during the
23 term of the agreement or automatic renewals shall bear
24 international-recognized registration marks." Would you
25 underline that, please.

1 A. (Witness complied.)

2 MR. MCCONWELL: Let's take a photo shoot.

3 THE CLERK: I'm sorry, it moved. One moment.

4 THE COURT: Okay. Hold on a second. She's
5 taking it right now. Hold on.

6 MS. MCCONWELL: I moved it.

7 THE CLERK: It's okay, I'm trying again.

8 MS. MCCONWELL: I'm sorry.

9 BY MR. MCCONWELL: (CONTINUING)

10 Q. Now in this instance, for Bravo Air, Bravo Air was
11 the registered owner; correct?

12 A. Yes.

13 Q. They were the lessor; correct?

14 A. (Nodded head.)

15 Q. And Bravo Air, the aircraft referred to by for Bravo
16 Air is 6188C; do you see that in the front page of the
17 agreement?

18 A. Yes.

19 Q. And if the aircraft had actually been registered,
20 which it was, on the aircraft U.S. registry, it would have
21 that registration mark on the aircraft?

22 A. Yes.

23 Q. And that didn't make any difference, whether or not
24 it was lawfully-registered at that point. The fact is, it was
25 registered; correct?

1 A. Yes.

2 Q. Now, let's go on to Exhibit No. 216-2. And 216-3,
3 all these are government exhibits. 216-3 has already been
4 admitted; part of the same section of documents, but 2 and 4
5 have not been. So if -- let's go ahead --

6 THE COURT: Which one are you going to right now?
7 20 -- this is on the 2900 category?

8 MR. MCCONWELL: Yes -- no 216.

9 MS. M. MILLER: No, Your Honor. This is not
10 2900.

11 MR. MCCONWELL: 216-2 is the first one. And that
12 should just be for the Court only.

13 THE COURT: Wait, 216-2, has that been admitted?

14 MR. MCCONWELL: That has not been admitted.
15 216-3 has been. And so this one needs to be considered first
16 for questions.

17 THE COURT: Wait. All right, so 216-3 has been
18 admitted. And so which one are you looking at right now?

19 MR. MCCONWELL: 216-2, 216-3 has been admitted.

20 THE COURT: Right. And 2 has not?

21 MR. MCCONWELL: Right. 216-4 will be the next
22 one. And I might as well ask him to foundational questions.

23 THE COURT: All right. Let me just hold off.

24 Ms. McConwell, go ahead.

25 MS. MCCONWELL: I think all three -- I believe

1 all three of those pages, 2, 3 and 4 were admitted.

2 THE COURT: All right. Very well. Mr.
3 McConwell --

4 MS. MCCONWELL: On the 15th.

5 THE COURT: All right. 216-2, 216-3 and 216-4
6 have already been admitted.

7 MR. MCCONWELL: I didn't remember that. And if
8 that's correct, we won't have to go through this process.

9 THE COURT: No, I've confirmed that with my
10 court.

11 MS. M. MILLER: If it's confirmed with the Court,
12 no objections, Your Honor.

13 THE COURT: All right. Very well.

14 MR. MCCONWELL: I'm just trying to be careful.

15 THE COURT: Okay. Okay, got it.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. First one up, we'll deal with the...

18 THE COURT: Can I get Steve down here?

19 BY MR. MCCONWELL: (CONTINUING)

20 Q. Dash 2 first?

21 THE COURT: Tell him let's go. Want to see if he
22 can help us with this. Now what number is this, Mr. --

23 MR. MCCONWELL: This is 216-2.

24 THE COURT: 2, got it.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. Now, can you tell us what this is? What's a
2 whiteboard by the way?

3 A. What's a what?

4 Q. A whiteboard?

5 A. (No response.)

6 Q. Let me ask this, do you have a whiteboard in your
7 office?

8 A. Oh, yes.

9 Q. October 2016; correct?

10 A. Yes.

11 Q. And what was the purpose of that whiteboard?

12 A. To list all the helicopters and boat names and the
13 date of the contracts and the pilots and mechanics.

14 Q. Just all the relevant information and report
15 information?

16 A. Yes.

17 Q. Correct?

18 A. Yes.

19 Q. We'll go through this a little slowly here. This
20 particular first document, dash 2, can you tell us what this
21 one is? In general terms first?

22 A. It's just a chart showing the boat name, the
23 aircraft, the dates of the contracts, the terms and amounts.

24 THE COURT: Can you try to enlarge this, Ms.
25 McConwell?

1 MS. MCCONWELL: I'll try do it some more.

2 BY MR. MCCONWELL: (CONTINUING)

3 Q. Now, this particular document, dash 2, we need the
4 left-hand column, Laura. Thank you. This particular document
5 lists eight companies; correct?

6 A. Yes.

7 Q. And then it lists the sub companies, the subsidiary
8 companies that the actual boat registered owners or the actual
9 boat owners; correct, for each of the main parent companies?

10 A. Yes.

11 Q. And the first one is, why don't you read that for us?

12 A. Fong Kuo Fisheries.

13 Q. Yes.

14 A. Fong Kuo 188, 189.

15 Q. Okay. You don't need to read all of them, but if you
16 look down at No. 15, would you tell us what that one is?

17 A. Nupla Solwara.

18 Q. And that is what "N" number?

19 A. N1 -- N6188 Charlie.

20 Q. Now, that happens to be the boat involved in the
21 contract that we just reviewed; correct?

22 A. Correct.

23 Q. Would you yellow or make a highlight on that for us?
24 I hate -- let's just put a little plus on the column 14 there
25 or 15, I mean, by maybe a long line. But I don't want you to

1 blank it off but...that particular boat was a subsidiary
2 company...

3 THE COURT: Hold on a second. So we could make
4 the exhibit bigger, if I don't show the witness, so we'll pull
5 -- we'll take the witness off the witness box on the screen
6 and then let's just make this exhibit bigger so we could see.
7 May I just ask the witness, so when it says "Fong Kuo" or is
8 it?

9 THE WITNESS: Fung Kuo.

10 THE COURT: Fung Kuo Fishery, that is the company
11 and then the one through 18, those are the subsidiary
12 companies?

13 THE WITNESS: Yes.

14 THE COURT: Oh, okay. Thank you for clarifying
15 that. I wasn't sure about that. Thank you.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. So that company --

18 MS. M. MILLER: I'm sorry, Your Honor, hold on.
19 I didn't get your question. You're asking him -- so the
20 vessel is the name of the company. And what did you say about
21 the subsidiary company?

22 THE COURT: So I wasn't clear with the
23 questioning that was had earlier. Are the numbers 1
24 through 18 under Fung Kuo Fishery Vessel its subsidiaries,
25 Nos. 1 through 18? And he said "yes."

1 MS. M. MILLER: I don't think that is correct.

2 BY MR. MCCONWELL: (CONTINUING)

3 Q. Well, let's go back, if we could, Your Honor, to
4 2900.1 or dash 1 and we'll correct -- find out right now?

5 THE COURT: I wasn't clear what he meant by --
6 which ones are the subsidiaries, I don't know. I'm looking at
7 this chart. Okay. So we're back on 216-2, previously
8 admitted.

9 MR. MCCONWELL: We're now down to 2900-1 is what
10 we're looking at. The one I'll go back to. Can we do a split
11 screen on this?

12 MS. MCCONWELL: You're challenging my
13 technological.

14 MR. MCCONWELL: My grandchildren aren't here, so
15 we're having problems.

16 THE COURT: My two-year-old grandchild is not
17 here.

18 (Discussion with IT.)

19 THE COURT: Do you know how?

20 MR. MCCONWELL: Rather labor that, I think we may
21 be since we're talking about one boat and one entry, we
22 probably could just go back and forth, then that'll be --

23 THE COURT: Let's see, though, let's try it.

24 MS. MCCONWELL: Problem is, it will be small. I
25 can do it but...

1 THE COURT: Okay. It's up to you.

2 MR. MCCONWELL: Let's try doing it the other way,
3 let's look at the lease first and if we write the down the
4 name of the company, that's the boat owner for the purpose of
5 this contract and then we compare it back over to the same
6 boat in the master list, then I think that'll suffice.

7 THE COURT: Okay. Hold on one second. Let me
8 just ask Steve something.

9 All right. So just an FYI, I just asked Steve,
10 my IT guy, that the reason why we can't use any stylus on this
11 screen is because it's only -- it's touch. Finger touch,
12 that's it. Okay. We'll work on that later.

13 MR. MCCONWELL: Okay. Let's go back to the
14 contract, the 2900-1.

15 MS. MCCONWELL: Yeah, I'm -- I'm good, do I need
16 to unplug and re-plug, Carmen? I have everything on the
17 screen.

18 THE COURT: Steve, does she have to plug and
19 unplug?

20 MS. MCCONWELL: I've done that a couple times. I
21 don't know if I have the control or not.

22 THE COURT: Let's try that. There you go. You
23 got it. Looks good.

24 MR. MCCONWELL: Thank you, Laura.

25 BY MR. MCCONWELL: (CONTINUING)

1 Q. You see that this company, and it's Fong Kuo Fishery
2 has a sub company, TSP Marine Industries; correct?

3 A. Yes.

4 Q. And that does business as this boat, Nupla Solwara?

5 A. Yes, Nupa Solwara.

6 Q. And you marked Item No. 15 as the particular boat
7 we're talking about; correct?

8 A. Yes.

9 Q. And that's on the big spreadsheet, your whiteboard?

10 A. (No response.)

11 Q. And then you got the other detail \$40,000 a month,
12 contract dates and all that stuff.

13 MR. MCCONWELL: Okay, Laura, we can go back on
14 the big screen again on the chart? Let's scroll down slowly.

15 BY MR. MCCONWELL: (CONTINUING)

16 Q. And I'll have you read the name of the individual.
17 The one back, Fong Kuo, has 18 subsidiary corporations that
18 own boats; correct?

19 A. Okay.

20 MS. M. MILLER: Objection, Your Honor. Assuming
21 facts not in evidence. No personal knowledge.

22 THE COURT: Well, he did testify when I asked the
23 question, he said they do. Now, okay, and then now you're
24 saying -- they're making the objection now.

25 MS. M. MILLER: Yes.

1 THE COURT: You want to lay the foundation of his
2 knowledge then, Mr. McConwell?

3 BY MR. MCCONWELL: (CONTINUING)

4 Q. We have Fong Kuo Fisheries on your chart and it shows
5 the subsidiary companies, the 18 companies; correct?

6 A. Yes, correct.

7 Q. And each of them have a separate boat and the
8 N-number of the boat or the aircraft involved is also on the
9 second column; correct?

10 A. Yes.

11 Q. In this particular instance, Item 15 is a subsidiary
12 company of Fong Kuo Fishery?

13 A. Yes.

14 Q. And that's similar to Bravo Air, Inc., being a
15 subsidiary of Beanbag and the companies that are owned by Jon
16 Walker; correct?

17 A. Correct.

18 Q. So their system is set up about the same way;
19 correct?

20 A. Yes.

21 THE COURT: Actually, why don't you do this, go
22 like this, pull it up like this and up, instead -- okay, come
23 here, this way. Bring it in. Center. Yeah. Center. It's
24 not exactly center, but that's fine. Go ahead. We'll figure
25 it out.

1 BY MR. MCCONWELL: (CONTINUING)

2 Q. So the next one is -- read the second fishery
3 company.

4 A. Fong Song Fisheries.

5 Q. Okay. How many subsidiary companies does it have,
6 that owns boats?

7 A. Looks like seven, total.

8 Q. And only four of them happen to be ones that you have
9 contracts with; correct?

10 A. Yes.

11 Q. And the next company is what?

12 A. Young Da Fa Fisheries.

13 Q. And it has how many sub companies?

14 A. Eleven.

15 Q. And you have contracts with each of those seven
16 companies; correct?

17 A. Yes.

18 Q. And the contract from the Vanuatu corporation side is
19 whatever corporation that is the owner registered -- person
20 that registered that on the United States registry; correct?

21 A. Yes.

22 Q. And the next one is what?

23 A. Han Song Enterprises.

24 Q. That only has one; correct?

25 A. Has one.

1 Q. And that's for N1042N; correct?

2 A. Yes.

3 Q. And at the next one. Please?

4 A. Friesland Fisheries.

5 Q. And it has a subsidiary company? That owns 454S?

6 A. Yes.

7 Q. And the next one?

8 A. Koos Fishing Company.

9 Q. And how many does it have?

10 A. Three.

11 Q. And it owns -- it has three boats involved in -- each
12 of their subsidiaries has a single boat; correct?

13 A. Yes.

14 Q. And it's contracted with the Vanuatu corporation,
15 just like this independent company for the Fishery?

16 A. Yes.

17 Q. And the next one?

18 A. Japan Esse Fisheries.

19 Q. And how many does it have?

20 A. Four.

21 Q. And it has boats for each of those four; correct?

22 A. Yes.

23 Q. And one of them is 805LA; correct?

24 A. Yes.

25 Q. And that's owned by one of the Vanuatu corporations

1 under Bean Bag; correct?

2 A. Yes.

3 Q. And the next one?

4 A. Win Far Fisheries.

5 Q. And it has how many?

6 A. Two.

7 Q. Actually, it has only one, but it has two boats;
8 correct?

9 A. Yes, two boats.

10 Q. 45777 and 471M; correct?

11 A. Yes.

12 Q. Okay. Let's go on down to the next item -- dash 2 --
13 or dash 3, please. And this is one that was discussed by Ms.
14 Miller yesterday. And it gives detail of contact information
15 for each of the subsidiary companies of the boat owners or the
16 boat -- off the boat owners; correct?

17 A. Yes.

18 Q. And the next one is dash 4, please. What is -- oh,
19 good, thanks, can you blow that up a little bit more, please.
20 And this -- what is this chart?

21 A. This is just showing all the fisheries and
22 helicopters and the vessels, pilots, start and end contract
23 dates.

24 Q. So this identifies the pilots of which aircraft and
25 the mechanic; correct?

1 A. Yes.

2 Q. All right. Now, when the government came to your
3 office in October of 2016, this is on your wall, when they
4 came up to talk to you?

5 A. Yes.

6 Q. And you let them make copies of this, didn't you?

7 A. They took copies, yes.

8 Q. There is nothing wrong with this information. It's
9 all factual, isn't it, sir?

10 A. Yes.

11 Q. Now, let's go to -- before we get there, in order to
12 -- you were keeping track of hours for purposes of determining
13 whether there'd been an overage of the 700 hours; correct?

14 A. That's correct.

15 Q. And that been since the beginning, you did it maybe
16 not the way we have here, but you had some former -- or
17 recording all this information, so you could bill 'em if they
18 used more hours than you were -- pursuant to the lease;
19 correct?

20 A. Yes.

21 Q. And you were the person in charge of that collection
22 of data?

23 A. Yes.

24 Q. It all came to you from the boats, one form or
25 another?

1 A. Yes.

2 Q. And you entered it into some sort of a spreadsheet?

3 A. (Nodded head.)

4 Q. Correct?

5 A. Yes.

6 Q. And in about 2013, the current weekly report
7 procedure came into play around 2013; correct?

8 A. Yeah.

9 Q. And during the period of 2013 to 2019, you're the one
10 that entered -- received all the weekly reports, you're the
11 one that entered all the data about the hours, if there was a
12 parts request, it was forwarded on to the parts department?

13 MS. M. MILLER: Objection; compound question and
14 Counsel is testifying.

15 MR. MCCONWELL: I'll rephrase.

16 THE COURT: All right. Rephrase. Withdrawn. Go
17 ahead.

18 BY MR. MCCONWELL: (CONTINUING)

19 Q. You're the one that collected all the hour data and
20 entered it into which ultimately got into a spreadsheet;
21 correct?

22 A. Yes.

23 Q. And who actually maintained the spreadsheet?

24 A. I think one of the secretaries.

25 Q. Was that somebody that worked for you or with you or

1 what?

2 A. No -- well, works in -- yeah.

3 Q. By the time 2013, she was reporting to Mr. Crowe
4 though; correct?

5 A. She was making the reports; yes.

6 Q. And did you have access to the actual ultimate final
7 product, the Excel --

8 A. Yes.

9 Q. -- spreadsheet? Did you review those to make sure
10 they were accurate?

11 A. Yes.

12 Q. And that would be to be -- verified the information
13 you entered and actually got into the actual spreadsheet?

14 A. Yes.

15 Q. And that was all part of your weekly routine in the
16 ordinary course of business?

17 A. Yes.

18 MS. M. MILLER: May I voir dire the witness, Your
19 Honor, on the spreadsheet issue?

20 THE COURT: In aid of an objection?

21 MS. M. MILLER: Yes.

22 THE COURT: Yes, you may.

23 MS. M. MILLER: Thank you, Your Honor.

24

25 VOIR DIRE

1 BY MS. M. MILLER:

2 Q. Mr. Reed?

3 A. Yes, ma'am.

4 Q. Do you have any idea what spreadsheet Mr. McConwell
5 is talking about?

6 A. The one that we just looked at, wasn't it?

7 Q. No, sir. That's not what he's talking about.

8 MR. MCCONWELL: I can ask more questions about
9 that if we need more information about it. I wasn't getting
10 there yet, but we can.

11 THE COURT: Okay, go ahead.

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. By spreadsheet, you had the information, you entered
14 it into some sort of format, electronic format that was a...a
15 format designed by Mr. Crowe?

16 A. Yes.

17 Q. So you entered in the information. And then you knew
18 it went into other electronic Excel spreadsheet; correct?

19 A. Yes.

20 Q. And you had access to that Excel spreadsheet to
21 determine whether the information had been accurately entered;
22 correct?

23 A. Yes.

24 Q. And that's been consistent since the inception of
25 this practice?

1 A. That is correct.

2 Q. And by you and you're the one that entered it, you're
3 the one that verified it was accurate; correct?

4 A. Yes.

5 Q. And you had access to the final product, if you
6 wanted to know what was in the spreadsheet, you just hit a
7 button and Excel spreadsheet, if you know how to operate
8 Excel, appears; correct?

9 A. Yes, that's correct.

10 Q. You knew how to work that, didn't you, sir?

11 A. Yes.

12 Q. And out of that, you could get a summary of every
13 hour for each of the boats, for the year or whatever period of
14 time you select; correct?

15 A. Yes.

16 Q. As a matter of fact, you could go back to 2013 and
17 ask it to give you everything on that particular boat up to
18 2019, and you'd hit play and it would calculate it?

19 A. Yes.

20 MS. M. MILLER: Objection, Your Honor.

21 THE COURT: What was the objection?

22 MS. M. MILLER: Lack of foundation and Counsel is
23 testifying. And, again, I would ask permission to briefly
24 voir dire the witness because I don't believe the witness is
25 talking about the same thing Mr. McConwell is talking about.

1 THE COURT: The Court will overrule the
2 objection. Let me -- go ahead, proceed. Hold off.

3 BY MR. MCCONWELL: (CONTINUING)

4 Q. Did you know what an Excel spreadsheet is?

5 A. Yes.

6 Q. And you know that this information was entered into
7 and maintained in the ordinary course of business?

8 A. Yes.

9 Q. And you had to access to it?

10 A. Yes.

11 Q. And you verified that information is accurate?

12 A. Yes.

13 Q. And it gave you information about each boat for each
14 -- for any particular period of time you wanted; correct?

15 A. Yes.

16 Q. Up to the date that you're working on; correct?

17 A. Yes.

18 Q. Okay. Let's go to Exhibit 278.

19 THE COURT: Has 278 already been admitted, Mr. --

20 MR. MCCONWELL: I believe we talked about it
21 yesterday -- I think it was.

22 THE COURT: Okay. Ms. McConwell is indicating
23 "yes." Let me just confirm with my Court -- it's just 278.

24 MR. MCCONWELL: Yes.

25 THE COURT: Okay. Hold on one second. Did you

1 say 278 or 287?

2 MR. MCCONWELL: 278.

3 THE COURT: 278. You said it's admitted. 278,
4 Carmen?

5 THE CLERK: Yes, ma'am.

6 THE COURT: Is that a "yes," Carm?

7 THE CLERK: Yes, ma'am.

8 THE COURT: All right. Admitted. It's already
9 been admitted. Previously admitted.

10 BY MR. MCCONWELL: (CONTINUING)

11 Q. Before we start with this particular document, back
12 to the white page, whiteboard information we just went
13 through, that had information for eight companies; correct?

14 A. Yes.

15 Q. And all their subsidiary companies. And for 44
16 aircraft; correct?

17 A. Yes.

18 Q. Okay. Now let's go to 278. It's on your screen,
19 sir?

20 A. Yes.

21 Q. Now, the boat here is one of the subsidiary companies
22 that's on your whiteboard; correct?

23 A. Yes.

24 Q. And that is -- what would you say the boat is, is
25 that Star, is that the second word supposedly?

1 A. Yes.

2 Q. So it's Atun Star?

3 A. Atun Star.

4 Q. Why don't you put a mark on that, if you would. Find
5 it easily.

6 A. (Witness complied.)

7 Q. And then it's got an aircraft registration number.
8 Would you underline that. It's 584SD. Then it has the name
9 of the pilot and the mechanic; correct?

10 A. Yes.

11 Q. And this, by the way, is for the period of September
12 9, the week of September 9, 2018?

13 A. Yes.

14 Q. And it has the word *Hobbs*, what is the Hobbs?

15 A. That's the hour meter on the helicopter.

16 Q. Okay, underline that Hobbs, 1452.2. If you would.
17 What does that mean for us?

18 A. That means the total time on the machine was
19 1452.2 hours.

20 Q. And that's as reported by the mechanic and pilot
21 onboard, at the time of this report?

22 A. Yes.

23 Q. It all come to you?

24 A. Yes.

25 Q. You enter your data ultimately into the Excel

1 spreadsheet; correct?

2 A. Yes.

3 Q. Let's look at page 15 of Exhibit 115.

4 THE COURT: Has that already been previously
5 admitted?

6 MR. MCCONWELL: No, we need to do that. So the
7 Court only.

8 THE COURT: So Exhibit 115?

9 MR. MCCONWELL: Yes.

10 THE COURT: Okay. So why don't you look at
11 Exhibit 115 and then you may proceed.

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. And actually want to have the first page first of the
14 entry of the entire spreadsheet, then we'll go to page 15.
15 This first page of this document, can we get the bottom?

16 MS. MCCONWELL: Yeah. I'm getting it bigger,
17 too.

18 MS. M. MILLER: Your Honor, you already ruled on
19 this.

20 THE COURT: Was that been admitted?

21 MS. M. MILLER: No, it has not been admitted. As
22 a matter of fact, you entered an order denying the
23 admissibility of it.

24 MR. MCCONWELL: Don't do this, please.

25 THE COURT: Okay. 11 -- okay.

1 MR. MCCONWELL: You have a 1006 matter. This is
2 a business record we're talking about now.

3 MS. M. MILLER: Your Honor, we had extensive
4 argument on this and you excluded it both under 8036 and under
5 1006.

6 THE COURT: Okay. Let me look at this exhibit.
7 This is Defendant's D-4, Exhibit 115. Is that what it says
8 here?

9 MR. MCCONWELL: Right. And I have a lower line
10 and I hope we could get it up there for you.

11 THE COURT: Hold on a second, Counsel. This is
12 -- let me just verify that. I don't -- let me look at this
13 exhibit. Pull up. Can you go up to the very top?

14 MS. MCCONWELL: Yes, ma'am.

15 THE COURT: Mr. McConwell, the Court has
16 previously ruled on this exhibit.

17 MR. MCCONWELL: Not as a business record
18 maintained in the ordinary course of business. We've had
19 extensive discovery -- discussions about that and we're not --
20 we're not going to do it this way, as I understand.

21 THE COURT: Hold on a second.

22 (Pause.)

23 MR. MCCONWELL: Can I ask the witness to describe
24 what it is?

25 THE COURT: Okay. No, hold on. Let me just --

1 I'm going to pull up my prior order. Hold on. All right.
2 The Court is -- and I'm looking at ECF, hold on. Let me get
3 my order, Counsels. I'm sorry I'm looking at my order
4 granting the motion in limine to exclude the exhibit.

5 MR. MCCONWELL: As a 1006 exhibit.

6 THE COURT: No, no, not necessarily that. That's
7 not it. That's not it. You might -- why don't you guys look
8 at my order. Do you need to go back and -- do you know which
9 order I'm looking at?

10 MR. MARTIN: What's the number, Your Honor?

11 THE COURT: Let me see what the ECF is. I don't
12 have -- what's the ECF on this? Hold on. I don't have the
13 ECF on this original. Hold on. I should have it, let me get
14 it. ECF 1513. Why don't you all look at that. Court ECF
15 1513, go to the last page, line 9 and 10. This is the Court's
16 order.

17 MR. MCCONWELL: Might I suggest we do this off
18 the record because it might take a moment to --

19 THE COURT: I think -- hold on, I don't think it
20 will take any minute to discuss, just look at the Court's
21 order. You guys can look at that. Just remind yourself what
22 I issued already.

23 (Pause.)

24 MR. MCCONWELL: I remember it, vividly.

25 THE COURT: Well, I remember it very vividly,

1 too. I wrote it. I rule.

2 MR. MCCONWELL: I know.

3 THE COURT: Okay. So you might want to go look
4 at my order, Mr. McConwell. I mean, if you guys just want to
5 look at that.

6 (Pause.)

7 THE COURT: If you look at it. Do you see what
8 I'm saying, Counsels?

9 MR. MCCONWELL: Your Honor, the discussion about
10 that order, when you had entered that order, when you applied
11 to 1006 -- 1006 off summary chart offer, that's not what we're
12 offering here and discussing. It was already identified in
13 the other pages of this document that -- behind this. It has
14 information based on --

15 THE COURT: I'm sorry, I'm sorry. So just to be
16 clear, you're not asking that this be part of a summary chart?

17 MR. MCCONWELL: No.

18 THE COURT: For the defense, you're asking it to
19 be a standalone business document?

20 MR. MCCONWELL: Exactly.

21 THE COURT: And you're saying that you're going
22 to be able to accomplish this by having set the foundation
23 under the business records exception?

24 MR. MCCONWELL: That's correct.

25 THE COURT: On this exhibit, which is

1 Exhibit 115?

2 MR. MCCONWELL: Right.

3 THE COURT: All right. Counsel?

4 MS. M. MILLER: Yes.

5 MR. MCCONWELL: He's already established --

6 THE COURT: Go ahead.

7 MS. M. MILLER: The problem is, Your Honor, this
8 is the identical exhibit that Mr. McConwell proffered to the
9 Court as a summary chart. He also represented to the Court,
10 Your Honor, that it was made in anticipation of litigation.
11 That is not a business record, if it was made in anticipation
12 of litigation and a summary chart. It can't be both.

13 MR. MCCONWELL: May I respond, Your Honor?

14 THE COURT: Well, I think we've already -- this
15 has already been ruled upon in the Court's order. And...

16 MR. MCCONWELL: This is not a summary chart.
17 This is not a summary chart. We discussed this in our --

18 THE COURT: Counsel, let me just say, the Court
19 has made a ruling, the Court will sustain the objection.

20 MS. M. MILLER: Thank you.

21 THE COURT: I already made a ruling on this.
22 This is the Court's prior order. Yes, Ms. McConwell?

23 MS. MCCONWELL: Yes, ma'am. I believe what the
24 primary discussion was, was on page 1 of 115. It was not on
25 the balance of the pages that were contained within 115, which

1 is what this witness has testified about now. And
2 Mr. McConwell is -- wants him to look at that to verify that
3 basically that is what he's been testifying about thus far.

4 THE COURT: I'm sorry, so just pull up 15, you
5 only want 115, that's what you're saying?

6 MS. MCCONWELL: No, what I'm saying is, the
7 complaint by the government has been to page 1 of that
8 Exhibit, but the pages that Mr. Reed has been testifying about
9 occur on -- starting on, you know, you'll have page 3, page 4
10 and so on, page 15, page 30, where it has the information that
11 he's been testifying about right now, how he contemporaneously
12 enters it when he receives those weekly sheets. And
13 Mr. McConwell wants to show this to you because it has the
14 date, the aircraft, the Hobbs number on calculating the hours
15 and keeping track of the hours that these helicopters have
16 flown, which is separate from the first sheet which is the one
17 that she's concerned about. And if Mr. Reed says he didn't
18 keep that contemporaneously, then that ends the conversation
19 but we don't believe that will be his testimony.

20 MS. M. MILLER: Your Honor, she just pulled up
21 the exact sheet that you ruled was inadmissible. So now she's
22 saying, no, Mr. McConwell really wants to testify about all
23 these other docs, then let him testify about all these other
24 docs, but that's not what we're looking at.

25 THE COURT: Did you say "ducks"?

1 MS. M. MILLER: Docs.

2 THE COURT: Docs?

3 MS. M. MILLER: Docs. Documents.

4 THE COURT: Okay, I thought --

5 MS. M. MILLER: For surgical precision,
6 documents, docs. Quicker.

7 THE COURT: Okay. She says ducks.

8 MS. M. MILLER: Sounds like ducks, right?

9 (Laughing.)

10 MS. M. MILLER: These ducks.

11 THE COURT: I said what is a duck doing in my
12 Court?

13 MR. MCCONWELL: We got off to a bad start here
14 because the document I wanted to show was the bottom end of
15 the -- on this document for the Court only. And for the
16 witness. Showing that the information about each boat and
17 that --

18 THE COURT: Hold on, Counsels, look, the Court
19 has already ruled on a motion in limine on Exhibit 115. I've
20 done that. We already got this order. You guys have this.
21 So the Court will keep its order in place.

22 MR. MCCONWELL: Okay. Now, if we go to page 2 of
23 the same document because that's what has just been testified
24 about.

25 THE COURT: You want to go to page 2 of the

1 document, okay, let's go to page 2.

2 MR. MCCONWELL: Page 15 or 15 is where we're
3 going to go to.

4 THE COURT: You can go to page 15. I'm just
5 saying that the Court's prior order remains in effect. But go
6 ahead and go to page 2 or what exhibit do you want to go to,
7 what page?

8 MS. M. MILLER: 115, I'm sorry, page 15.

9 THE COURT: So all of the Exhibit 15[sic] is
10 being excluded. The Court has already ruled that.

11 MR. MCCONWELL: He's testified about --

12 THE COURT: Okay. Let's go to page 15, but the
13 Court's already made a ruling, but go ahead, let's see what
14 you try to do here. 115. Page 5. 15.

15 MS. MCCONWELL: Yes, ma'am. I'm having technical
16 issue here.

17 THE COURT: Thirty more minutes before the first
18 break, 31 more minutes, Counsel -- Counsels. Are you trying
19 to pull it up?

20 MS. MCCONWELL: Yes, ma'am. I have to do the
21 old-fashioned way, I have to scroll.

22 THE COURT: Don't you have an OCR? Can you pull
23 that up, the optical reader?

24 MS. MCCONWELL: No, ma'am.

25 THE COURT: You don't have that on your computer?

1 MS. MCCONWELL: No, ma'am.

2 THE COURT: I thought we required that.

3 MS. M. MILLER: All of the PDF documents, Your
4 Honor, are OCR' d and they are searchable.

5 THE COURT: Yeah, I think -- yeah, they are
6 searchable.

7 MS. MCCONWELL: It wasn't coming up on my screen.
8 All right, now it is.

9 THE COURT: You should be able to search, put
10 down what you want and it will come right up. Okay.

11 BY MR. MCCONWELL: (CONTINUING)

12 Q. Mr. Reed, do you see that list of information, can
13 you tell us what it is?

14 A. That's the information that I record. It states the
15 aircraft and the dates and the weekly Hobbs for that time.

16 Q. That's the date of the report?

17 A. Yes.

18 Q. And scroll down to, if you would, scroll down to
19 September 9 of 2018. Okay, put a mark by that document for
20 the Court, if you would. And this is on just for us, right?
21 Your Honor?

22 THE COURT: I'm sorry? What did you say?

23 BY MR. MCCONWELL: (CONTINUING)

24 Q. Put a mark by the September 9, 2018.

25 A. (Witness complied.)

1 Q. Maybe a little longer than a dash. Little -- a dash
2 or something right there. Okay. And then you got the Hobbs
3 meter there?

4 A. Yes.

5 Q. And that is -- what is the Hobbs meter there?
6 Underline that, if you would. Okay. And isn't that the same
7 information that's on Document 278 as the Hobbs meter?

8 A. That is correct.

9 Q. For -- .2. And you did that with each weekly sheet?

10 A. Yes.

11 Q. Just like this. And there's one for since 2013 for
12 every boat, for every week?

13 A. Yes.

14 Q. Correct? And these are all entered by you in this
15 spreadsheet?

16 A. Yes.

17 Q. This something you went back and confirmed it after
18 it was done?

19 A. Yes.

20 Q. And you've frequently printed off a report from that
21 spreadsheet; correct?

22 A. Yes.

23 Q. And that's the Excel spreadsheet that we've been
24 discussing here that had the front page that did a
25 summarization of everything within the document that you

1 created; correct?

2 A. Yes.

3 Q. Let's go to Exhibit No. 517. This is 517-1. Can you
4 tell us what that is, sir?

5 THE COURT: All right, so that's different from
6 115, has this been admitted previously, 517.

7 MS. M. MILLER: It has not, Your Honor.

8 THE COURT: So are you stipulating for its
9 admission, Prosecution?

10 MR. MCCONWELL: I'm going to move for its
11 admission, Your Honor.

12 THE COURT: Are you stipulating to it?

13 MS. M. MILLER: Yes, Your Honor, the prosecution
14 has no objection to the admission of this document.

15 THE COURT: All right. 517 will be admitted
16 then.

17 (Exhibit 517 admitted.)

18 THE COURT: Okay. Hold on. What page? What
19 page? So you want all of the pages, there is a hundred --
20 let's get --

21 MR. MCCONWELL: This is one page, this is a
22 weekly report, right?

23 THE COURT: Okay, so you want just one page,
24 517-1?

25 MR. MCCONWELL: Yes.

1 THE COURT: Is that what we want? Is that what
2 it is?

3 MR. MCCONWELL: That's what it is.

4 THE COURT: Okay. 517.

5 MS. MCCONWELL: Your Honor, according to my
6 exhibit list from the government, 517 is only a one-page
7 document.

8 THE COURT: Okay. Well, this is...

9 MR. MCCONWELL: We only want to offer one --

10 THE COURT: 517, all right. So yeah, Carm, I
11 think you're reading a 115, Carm, at the top, is 115 pages 1
12 through 181 -- strike that.

13 All right. So 517-1 is only one page, has now
14 been admitted by stipulation. You may proceed, Mr. McConwell.
15 Thank you for getting this cleared up.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. And this is January 10, 2016; correct?

18 A. That's correct.

19 Q. And you identify this as the weekly report concerning
20 Aircraft RPC588?

21 A. That's correct.

22 Q. Now, go to page 10 of Exhibit 115, please. If you
23 locate the January 10, 2016, if you'd put a mark by that,
24 please, for me. And that shows a Hobbs number of what?

25 A. 395.3.

1 Q. And that's the identical Hobbs number that's on the
2 weekly report; correct?

3 A. That's correct.

4 Q. So you verified the accuracy of it?

5 A. Yes.

6 Q. As you have every other entry on this list?

7 A. That's correct.

8 Q. Now, let's go to Exhibit 876.

9 THE COURT: Okay, what is that again? 876?

10 MR. MCCONWELL: 876, government 876.

11 THE COURT: Okay. Has that been previously
12 admitted?

13 MR. MCCONWELL: I don't believe so and we're only
14 offering page 1.

15 THE COURT: So Government Exhibit 876-1, let me
16 verify.

17 Prosecution, have you moved for admission of
18 that?

19 MS. M. MILLER: We haven't seen it yet. It
20 hasn't been pulled up on the screen yet, Your Honor.

21 THE COURT: Why don't we pull that up. Then I'll
22 verify if it's been admitted either through -- no, not yet,
23 Carm. 876-1 has not been admitted. So we'll let the
24 prosecution review and see if they want to agree for
25 admission.

1 MS. M. MILLER: No objection, Your Honor.

2 THE COURT: All right. 876 admitted without
3 objection, you may proceed.

4 (Exhibit 876 admitted.)

5 BY MR. MCCONWELL: (CONTINUING)

6 Q. Now, Mr. Reed, this particular document has parts
7 listed; correct?

8 A. Yes.

9 Q. Was that the manner in which parts are ordered from
10 Guam?

11 A. That's --

12 Q. For the boats?

13 A. Yes, that's one of the ways.

14 Q. And it has the Hobbs number of 1775.2?

15 A. Yes.

16 Q. Could you mark that for me?

17 A. (Witness complied.)

18 Q. And it's on which boat?

19 A. Fong Kuo 866.

20 Q. That's one of the boats listed on your white page;
21 correct?

22 A. Yes.

23 Q. And the aircraft is what, sir?

24 A. November 6360S.

25 Q. Okay, now let's go to page 30, possibly 28 of

1 Exhibit 15 -- 115, please.

2 THE COURT: I'm sorry which page is it?

3 MS. MCCONWELL: 130.

4 THE COURT: 130 of Exhibit 115.

5 MR. MCCONWELL: You're sure it's not page 30?

6 MS. MCCONWELL: 130. (Pause.) Oh, I'm sorry,
7 you're right.

8 THE COURT: So what page is it?

9 MS. MCCONWELL: 30.

10 MR. MCCONWELL: 30.

11 THE COURT: Page 3-0. Exhibit 115. Go ahead.

12 BY MR. MCCONWELL: (CONTINUING)

13 Q. Go to October 25, 2018. Put a mark by that, if you
14 would. And what's the Hobbs number on that one?

15 A. 1775.2.

16 Q. And that's the same Hobbs number that's on the weekly
17 sheet; correct?

18 A. That's correct.

19 Q. So if we went through every weekly sheet, you would
20 have taken it, the information off of Hobbs number and you
21 would have entered it into this Excel spreadsheet on a weekly
22 basis and it would confirm the Hobbs numbers for everyone,
23 which gives you total hours for the aircraft for the end of
24 date of the weekly report; correct?

25 A. That's correct.

1 Q. That would also give you the name of the boat that
2 the aircraft was on?

3 A. Yes.

4 Q. And that the document, itself, all this internal
5 data, you verified yourself?

6 A. Yes.

7 Q. And then it would be in Excel spreadsheet that would
8 automatically create the first page we were looking at on this
9 Exhibit 115; correct?

10 A. Yes.

11 Q. And you viewed that before, you reviewed the accuracy
12 of it and you know that it's an accurate document maintained
13 in the ordinary course of business by Hansen?

14 A. Yes.

15 Q. And under your direction; correct?

16 A. Yes.

17 (Pause.)

18 MR. MCCONWELL: At this time, I will offer all
19 the spreadsheet except for the first page.

20 THE COURT: I'm sorry, when you say "all the
21 spreadsheet," what are you talking about? What exhibit number
22 is that?

23 MR. MCCONWELL: 115. The data that he just
24 verified and the accuracy of it, maintained contemporaneously
25 in the ordinary course of business.

1 THE COURT: Okay. Why don't we, ladies and
2 gentlemen, why don't we go ahead and take our recess just a
3 little early. I want to discuss this with the Counsels. I
4 don't want to get on to the -- you know, the little earphone
5 because it's a little aggravating. And I rather, it's more
6 cumbersome, really. I'd rather speak out openly with the
7 lawyers. So keep an open mind. You'll just have a little
8 longer break, you know, drink some water. Do they have coffee
9 back there, snacks for you? Okay, please rise for the jury.

10 (Jury out at 9:38 a.m.)

11 THE COURT: Please be seated. You could take the
12 exhibit off the screen. All right, first of all,
13 Mr. McConwell, the Court has made a ruling. And I'm going to
14 stick with it. That -- I made a previous ruling that the
15 prosecutor's motion, which was to exclude Defendant Kapp's
16 Exhibit D-4, Exhibit 115 because we're -- you're asking only
17 for the admission of Exhibit 115 at this point.

18 I've already previously ruled that that will be
19 excluded from being offered during trial. And the reason the
20 Court had done this, if you will go back and review it , is
21 because the Court notes that Defendant Kapp failed to describe
22 in what way the underlying documents were made available to
23 the prosecution other than through the January 2020 subpoena,
24 which the Court had already found insufficient. This Court
25 has already indicated that it was the defendant's obligation

1 to provide or if already provided in another context,
2 identified to the prosecution, the underlying documents of any
3 summary charts that would be offered under Rule 1006.

4 The defendants himself has said throughout the
5 course of this case, identifying specific documents is needed
6 when there has been a high volume of discovery as there has
7 been here for sure.

8 So the Court ruled, in conclusion, that's me,
9 that the response to this motion, the Defendant Kapp's cursory
10 response to the motion, fails to provide the Court with any
11 information pertaining to the issues noted in the order. It
12 is the proponent's burden to satisfy Rule 1006. Kapp was a
13 proponent of the summary charts at issue and yet he failed to
14 satisfy the burden, despite the Court's March 10, 2022 order.

15 As such, the Court granted the prosecutor's
16 motion and D-4, Exhibit 115, is excluded from being offered
17 during trial. So the Court is going to stick with that.

18 MR. MCCONWELL: I'm not arguing with the Court.
19 But I did discuss, heavily, that we're dealing with a business
20 record, the Court acknowledged that. If we went back and
21 looked at the record of our conversation.

22 I did not understand that you meant -- if we
23 could establish, which we have, that it was maintained in the
24 ordinary course of business as a business record, not created
25 for this case, that that was a different matter and that was a

1 matter which we were going to pursue. We made that clear on
2 the record, if we go back look at it.

3 THE COURT: It doesn't really matter. Okay. The
4 Court already said that a document that has been prepared in
5 anticipation of litigation may not be admitted under business
6 record exception.

7 Okay, so you understand -- you understand that
8 the problem was preparing for to get this to this point for
9 trial, you want this in, really as a summary chart.

10 MS. M. MILLER: (Nodded head.)

11 THE COURT: This Excel spreadsheet is a summary
12 chart. And the whole -- the whole goal of summary chart is to
13 -- summary charts, as we all should know, is that the opposite
14 side, the opposing side, needs to have the underlying
15 documents so that they can verify and look through it, and
16 they weren't given that, according to the evidence and the
17 record that's been established in this Court. That's the
18 problem.

19 MR. MCCONWELL: Our understanding was, and it was
20 unanimous among the defendants that we could approach the
21 matter as a business record like we did. It was not
22 maintained, it was not prepared in the ordinary -- for
23 anticipation of litigation. There were a set of documents
24 that were and that's where it may have gotten confused.

25 THE COURT: But I'm not confused. This is a

1 summary chart.

2 MR. MCCONWELL: I'm not --

3 THE COURT: No, no, Mr. McConwell long story
4 short, this Excel spreadsheet is a summary chart. This is
5 your summary chart. Your Counsel -- your defense's summary
6 chart.

7 MR. MCCONWELL: It wasn't prepared for
8 litigation. It was in ordinary course of business and I
9 accept the Court's ruling, but I didn't think we should be
10 arguing about it in front of the jury, but you know --

11 THE COURT: You were not arguing in front of the
12 jury, we're outside of the jury. Let me just say this, if it
13 was prepared as a business record, I mean I'm sorry, if it was
14 prepared and you guys had -- if it was prepared in the
15 ordinary course of business, let's put it this way, and if you
16 had given it, if Kapp and everybody had given it to the other
17 side and they reviewed it, I wouldn't have a problem, even if
18 there's inconsistencies. The Court's allowed to -- the
19 Court's allowed to allow summary charts. The problem is
20 preparation time. And you guys just didn't get it in. That's
21 the problem.

22 MR. MCCONWELL: This was prepared in the ordinary
23 course of business. I made that clear earlier. But what
24 wasn't was, we had charts made of different aircraft,
25 individual aircraft made, those were prepared for litigation.

1 This part wasn't. He's clearly testified it wasn't. But
2 anyway, it is what it is. And the Court denied it, that is
3 fine.

4 THE COURT: No, no, no. The bottom line is,
5 Exhibit 115 is Exhibit 115. And that's the chart. These are
6 the same charts. These are not anything different. These are
7 the charts that you guys wanted. These Excel spreadsheets are
8 the same Excel spreadsheets that the Court has already
9 excluded. Am I wrong on that?

10 MS. M. MILLER: No, you're absolutely correct.

11 THE COURT: Hold on. Wait. Wait. Wait. Hold
12 on. What, Mr. McConwell?

13 MR. MCCONWELL: There were other spreadsheets
14 that were made that were submitted and prepared for the course
15 of the litigation to make it easier for all of us in summary
16 charts. These were not ever presented as summary charts.
17 They were prepared as information maintained in the ordinary
18 course of business, is what my point is. And I thought I made
19 that clear in our discussions. And I bet if we look at the
20 record, but you've ruled on it and that's fine.

21 THE COURT: Okay. All right. So the Court's
22 ruling stays. Just so you're clear, the Court has made a
23 ruling that Exhibit 115 is not going to be admitted, mainly
24 because the underlying documents that are supposed to support
25 a summary chart, whatever you want to call it, Excel

1 spreadsheet, I don't care what you guys call it, it's trying
2 to be a summary chart here. It wasn't provided to the
3 prosecution. It was just cursory. And so that's why the
4 Court said, okay, we're not going to let it in. Had it been
5 done, I would have let it in. More likely than not if there
6 was no legitimate objection.

7 MR. MCCONWELL: -- spent hundreds of hours
8 gathering information from the government and included was all
9 these weekly sheets back in January of '21, as we told you,
10 but we did not ever offer this as a summary chart -- a 1006
11 summary chart. I thought that was sort of your limitation on
12 your order was, and if I misunderstood, I apologize.

13 MS. M. MILLER: Your order was very clear, Your
14 Honor. A business record that is, itself, a summary of other
15 business records is not admissible. As a matter of fact, we
16 saw right here with Mr. Reed, he identified the underlying
17 business record, which was a weekly report. That Mr.
18 McConwell -- can you hear me?

19 THE COURT: I got it.

20 MS. M. MILLER: You got it. Summary charts
21 within summary charts within summary charts. And the other
22 problem is, they never gave us all of the underlying
23 documents. And when we analyze the documents that they did
24 give us, there were errors and omissions. So even without
25 having all of the underlying documents, the ones that were

1 provided don't match up with the summaries. So --

2 THE COURT: Anyway, but the Court -- so anyway,
3 long story short, I already ruled; it's not going to come in.
4 Exhibit 115 will not come in. That's the bottom line. So we
5 move on to the next question. Anything further on 115? I
6 doubt it.

7 MR. MCCONWELL: You ruled on it. You ruled on
8 the face page of all the underlying --

9 THE COURT: I ruled on.

10 MR. MCCONWELL: Even --

11 THE COURT: Exhibit 115 in its entirety.
12 Whatever -- however -- how many pages is 115?

13 MS. MCCONWELL: 181 pages.

14 THE COURT: So that means it's out. It's out.
15 It's out. Based on my ruling -- yes, Ms. McConwell?

16 MS. MCCONWELL: Mr. McConwell just wanted to make
17 sure the record was protected, Your Honor. He understands
18 your ruling.

19 THE COURT: All right. Very well. So let's go
20 ahead and take a recess. I let the jurors go early. So why
21 don't we...it's about 12 till 10. Why don't we just come back
22 at 12 -- I mean I'm sorry, 10:05. So we'll get 15 more
23 minutes, 17 more minutes. 10:05. Okay, Counsels?

24 MS. M. MILLER: Yes, thank you, Your Honor.

25 THE COURT: All right. Thank you, Counsels.

1 We'll move on. How much longer do you have, Mr. McConwell,
2 with the witness?

3 MR. MCCONWELL: Probably 15 or 20 minutes, less
4 than 30, but probably shorter.

5 THE COURT: 15, 20, 30? Okay. So max 30. I'm
6 just trying to figure out our schedule here. So if you have
7 him and then we're going to go till -- you'll be done with him
8 by 11:45?

9 MR. MCCONWELL: Oh, yes.

10 THE COURT: And then you have your next witness
11 ready to go?

12 MS. M. MILLER: Yeah, but I have redirect.

13 THE COURT: Oh, that's right. How long do you
14 think that'll be based on? Remember short and succinct is
15 better.

16 MS. M. MILLER: Oh, 1000%. I will not be -- I
17 will not be any longer than 30, 45 minutes, max.

18 THE COURT: All right. I'll see all of you at
19 five after 10. Take care. Take a 17-minute recess.

20 (Recess taken at 9:48 a.m.)

21 (Back on the record at 10:10 a.m.)

22 THE COURT: Back on the record. All Counsels are
23 present, Defendant is present and we'll call in the jury.
24 Thank you. Please rise for the jury. Please be seated.
25 Thank you, ladies and gentlemen of the jury. We'll continue

1 on with the examination of the witness. You may proceed.

2 Mr. McConwell?

3 MR. MCCONWELL: Thank you, Your Honor.

4 THE COURT: And it's now 10:15. So we will go
5 until 11:45 and then we'll have lunch for the jurors. Okay,
6 you may proceed.

7 BY MR. MCCONWELL: (CONTINUING)

8 Q. Mr. Reed, when we were discussing the mandatory
9 weekly reports, you referred to a Hobbs meter and then there
10 was an hour entry. What is a Hobbs meter and what's its
11 purpose?

12 A. It's purpose is to keep track of the hours that the
13 aircraft is flown.

14 Q. And it works off of oil pressure?

15 A. It does work off of oil pressure from the manual or
16 gear box.

17 Q. And by that, you could maintain -- you could keep
18 total records of the hours flown weekly or monthly or --

19 A. Yes.

20 Q. For its whole history; correct?

21 A. Yes.

22 Q. And if the aircraft had been operating 700 hours a
23 year per contract with 40 boats and your white paper, 44
24 boats, for 20 years, that would amount to 560,000 hours of
25 operation, would you agree?

Recross - Reed

1 A. If you say so. I don't -- I didn't calculate it.

2 MS. M. MILLER: Objection, Your Honor, move to
3 strike the witness's answer. No foundation.

4 THE COURT: Yeah, objection will be sustained.
5 BY MR. MCCONWELL: (CONTINUING)

6 Q. Well, you would take -- if you were going to
7 calculate --

8 THE COURT: Motion to strike will be granted.

9 Ladies and gentlemen, disregard the question and
10 answer, next question.

11 BY MR. MCCONWELL: (CONTINUING)

12 Q. If you were going to calculate the total hours flown
13 in the last 20 years at the 700-hour per rate, you would
14 multiply that times the number of aircraft; correct?

15 A. Yes.

16 Q. Whatever that total is, that will be the hours. And
17 that would be for the 700, there is also excess hours flown
18 typically on an annual basis; correct?

19 A. Yes.

20 Q. And you estimate how many? Normally?

21 A. Anywhere from 30 to 100.

22 Q. Per aircraft?

23 A. Yes.

24 Q. And that's been an average, effectively, for the last
25 20 years?

1 A. Yes.

2 Q. Now, you worked for Jon Walker for 20 years or more;
3 correct?

4 A. Yes.

5 Q. What kind of an employer was he?

6 A. He was a great employer.

7 Q. Was he kind to his employees?

8 A. Yes.

9 Q. Was he generous with his employees?

10 A. Yes.

11 Q. When he first started, did that business get off to a
12 good start in 1998?

13 A. Yes.

14 Q. For several years, didn't it, sir?

15 A. Yeah.

16 Q. And then what happened?

17 A. Then...there was the oil crisis and the boats kind of
18 stopped fishing for a while.

19 Q. And that lasted a couple years, didn't it, sir?

20 A. Yeah, something like that.

21 Q. The tuna market effectively collapsed?

22 A. Yeah, tuna market was real low, it was -- diesel
23 would be more expensive than fish.

24 Q. And so Mr. Walker had boats coming in and docking and
25 not bringing in revenue?

1 A. Yes.

2 Q. And did he make sure that all of the employees were
3 paid throughout that period of time, sir?

4 A. Yes.

5 Q. And he didn't take a salary, did he?

6 A. Not aware of it.

7 Q. You don't know whether he took a salary or not?

8 A. Yeah, I'm not aware.

9 MS. M. MILLER: Objection, Your Honor, move to
10 strike both the question and the answer if he has no knowledge
11 of that.

12 THE COURT: All right. Stricken. Disregard the
13 last question, the last answer, ladies and gentlemen.

14 BY MR. MCCONWELL: (CONTINUING)

15 Q. He started out as a pilot at age 21, I mean I'm
16 sorry, a mechanic at age 21; correct, '87?

17 A. I guess so; yes. I'm not --

18 MS. M. MILLER: Objection, Your Honor, move to
19 strike. The witness has no -- this is not a responsive
20 answer. "I guess so" is not an answer.

21 BY MR. MCCONWELL: (CONTINUING)

22 Q. What was his first job as he came to Hansen?

23 THE COURT: Okay, I'm sorry, let me back up then.
24 The last question answer will be stricken from the record.
25 Please disregard, ladies and gentlemen, and you may go to the

1 next question.

2 Mr. McConwell, go ahead.

3 MR. MCCONWELL: Thank you, Your Honor.

4 BY MR. MCCONWELL: (CONTINUING)

5 Q. What was his first job?

6 A. He was a mechanic.

7 Q. And he did that for a couple years; correct?

8 A. Yes.

9 Q. And then what did he do next?

10 MS. M. MILLER: Your Honor, objection, outside
11 the scope and this has already been asked and answered several
12 times now.

13 MR. MCCONWELL: Not in this particular, fashion,
14 Your Honor.

15 MS. M. MILLER: Not in this fashion? The jury
16 has heard this, Your Honor. I think we need to move on.

17 MR. MCCONWELL: I'll withdraw it.

18 THE COURT: Okay. Withdrawn, next question.

19 BY MR. MCCONWELL: (CONTINUING)

20 Q. He was a young man that came in and started working
21 from ground up and built a very successful business, is that a
22 fair statement?

23 A. That's correct.

24 Q. He was kind to his employees and fair with his
25 employees at all times that you've been involved with him?

1 A. Yes.

2 Q. You've seen him work with the FAA and you've had no
3 -- you've seen him work with the FAA; correct?

4 A. Yes.

5 Q. As a repair station -- head of a repair station?

6 A. Yes.

7 Q. He had a principal maintenance inspector from the
8 Honolulu Flight Standards District Office that surveilled his
9 work?

10 A. Yes.

11 Q. You never saw any issues come up with the Honolulu
12 Flight Standards District Office as Jon Walker did you, sir?

13 A. That's correct.

14 Q. Or any other FAA person throughout the time up until
15 he retired in approximately 2011?

16 A. Yes.

17 Q. And he tried to follow the rules and have safe
18 helicopters; correct?

19 A. Yes.

20 Q. He was the head of all the maintenance, he was an
21 inspection-authorized A&P mechanic; correct?

22 A. Yes.

23 Q. And he had a principal maintenance inspector from the
24 Honolulu FSDO that surveilled his work for all these years?

25 A. Yes.

1 Q. And he was never sanctioned or suspended or anything
2 and his work was never questioned by the Honolulu Flight
3 Standards District Office of the Federal Aviation
4 Administration?

5 A. That is correct.

6 Q. Hansen had no policy to interfere with the operations
7 of the Federal Aviation Administration, did they?

8 A. No.

9 Q. And you're not aware of any interference by Hansen or
10 Jon Walker with the Federal Aviation Administration or the
11 National Transportation Administration in the performance of
12 their duties, whatever they are; correct?

13 A. That is correct.

14 Q. Did you ever meet any of the inspectors that came out
15 and worked with him during the time period that you were with
16 Hansen?

17 A. Just to acknowledge 'em, just to say "hello" and --

18 Q. But no substantive communications?

19 A. No.

20 Q. I'm going to show you an item that's called a *tail*
21 *rotor pitch link blank*?

22 THE COURT: We'll have that marked as an exhibit
23 then.

24 MR. MCCONWELL: 118.

25 THE COURT: 1-1-8.

1 MR. MCCONWELL: Yes, Your Honor.

2 THE COURT: All right. Has that been previously
3 admitted or not?

4 MR. MCCONWELL: Not yet.

5 THE COURT: All right. No objections to
6 admission?

7 MS. M. MILLER: No objection to admission, Your
8 Honor.

9 THE COURT: 1-1-8 admitted. Go ahead. By
10 stipulation.

11 (Exhibit 118 admitted.)

12 THE COURT: That's okay, we'll --

13 MR. MCCONWELL: I'll give it to him.

14 THE COURT: We'll mark it later. That's fine.
15 118.

16 BY MR. MCCONWELL: (CONTINUING)

17 Q. And this is an item that came from Hansen that the
18 FAA or the someone in the government took at a search warrant;
19 correct? Or do you know?

20 A. (No response.)

21 Q. Let me back up. I represent to you, this is a pitch
22 link blank that was at Hansen that was taken by the
23 government. Now, is that the same type of doc -- or part that
24 you ordered from Spares?

25 A. Yes.

1 Q. You described the circumstances of doing business
2 with Spares concerning those particular parts concerning
3 giving the drawing and description of what you needed and they
4 would come back with that for you, Hansen; correct?

5 A. Yes.

6 Q. All your years, had any of those pitch link blanks
7 ever fractured or failed in any regard?

8 A. Not to my knowledge.

9 Q. They never caused an aircraft accident to your
10 knowledge?

11 A. Not to my knowledge.

12 Q. Never caused a death of anybody?

13 A. Not to my knowledge.

14 Q. And you're not aware of any death caused by a failed
15 part that was installed by Hansen, are you, sir?

16 A. No.

17 MR. MCCONWELL: I'll offer 118 into evidence. I
18 believe maybe it was already been admitted but...

19 THE COURT: It's admitted now. Stipulated by the
20 prosecution just now. Admitted. Yup.

21 BY MR. MCCONWELL: (CONTINUING)

22 Q. That particular part is the one that you said
23 required installation of bearings at each end of the bearing
24 or the part?

25 A. Yes.

1 Q. To be used on an aircraft?

2 A. Yes.

3 Q. And Hansen has the equipment to install the bearings
4 properly; correct?

5 A. That's correct.

6 Q. And the bearings are purchased or had been purchased
7 for years from one of two sources; Seaside, which is a parts
8 supplier, or Heletech, another parts supplier in California;
9 correct?

10 A. Yes, that's correct.

11 Q. And they cost a couple hundred dollars a piece, don't
12 they, sir?

13 A. Yes.

14 Q. For the -- to go into the pitch link blank?

15 A. Yes.

16 Q. So you don't have a \$28 part that gets installed on
17 an aircraft, do you, sir?

18 A. No.

19 MR. MCCONWELL: I have nothing further, Your
20 Honor.

21 THE COURT: All right. Very well. Thank you.

22 (Pause.)

23 MR. PEREZ: Your Honor.

24 THE COURT: Yes, Mr. Perez?

25 MR. PEREZ: Before we resume with questioning,

1 may we approach?

2 THE COURT: Okay. Yeah, come up.

3 (Sidebar.)

4 MR. PEREZ: Thank you, Your Honor. I just wanted
5 to confirm before my client continues his testimony, that my
6 understanding that the immunity agreement that he's entered
7 into with the government remains in place and that the
8 government has no intention of withdrawing it?

9 MS. M. MILLER: At this time, we do not --

10 THE COURT: Come over to the --

11 MS. M. MILLER: Yes, Your Honor, at this time,
12 the government has no intention of withdrawing it.

13 MR. PEREZ: That's all.

14 THE COURT: Okay. Very well. You heard that,
15 Counsels? Okay, and then Ms. Marie Miller.

16 MS. M. MILLER: Yes, Your Honor.

17 THE COURT: How much time do you think you'll be
18 with the witness.

19 MS. M. MILLER: I'll be done before lunch.

20 THE COURT: Okay, very well. Before lunch.

21 MS. M. MILLER: Thank you.

22 THE COURT: She said she'll be done. Very well
23 thank you.

24 (End of sidebar.)

25 THE COURT: All right. Just an FYI, okay,

1 Mr. Perez, you're -- everything is okay?

2 MR. PEREZ: Yes, Your Honor.

3 THE COURT: Thank you. So just back to our
4 touchscreen. So it's going to be better that we just
5 highlight it instead of doing a line. So I just spoke to
6 Steve. And Steve just switched it to highlight. So we'll
7 just highlight it next time, okay? You may proceed. Thank
8 you, Steve. Appreciate it.

9 All right. Go ahead, Ms. Marie Miller.

10 MS. M. MILLER: Yes, Your Honor. Thank you.

11

12 REDIRECT EXAMINATION

13 BY MS. M. MILLER:

14 Q. Mr. Reed, you just testified that Mr. Walker is kind
15 to his employees, is that your testimony, sir?

16 A. Yes.

17 Q. Was he kind to you?

18 A. Yes.

19 Q. Do you recall meeting with me before you testified in
20 this case?

21 A. Yes.

22 Q. Didn't you tell me that you haven't had a raise in
23 30 years?

24 A. No, that's not true.

25 Q. That's not true?

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1 A. No, I don't --

2 Q. Okay.

3 A. But I don't remember exactly when I had it.

4 Q. You don't remember exactly when you've had a raise?

5 A. Yeah.

6 Q. Okay. Let's look at Exhibit G-1091.

7 THE COURT: That's already been previously
8 admitted; is that correct?

9 MS. M. MILLER: No, Your Honor. It has not.

10 THE COURT: Oh, okay, G-10...

11 MS. M. MILLER: 9-1.

12 THE COURT: Okay, Counsel.

13 MS. M. MILLER: It's going to come up on your
14 screen, Mr. Reed.

15 BY MS. M. MILLER: (CONTINUING)

16 Q. Do you see it?

17 A. Yes.

18 Q. Do you recognize it?

19 A. (Witness reading.)

20 Q. It says "Hansen Helicopters, Inc." on top; correct?

21 A. Yes, that's correct.

22 Q. And it's from Jon Walker; correct?

23 A. Yes.

24 Q. March 21, 2008; correct?

25 A. Yes.

Redirect - Reed

1 Q. And it's to the pilots; correct?

2 A. Yes.

3 MS. M. MILLER: Your Honor, at this time we would
4 offer into evidence Exhibit 1091, and we remind the Court of
5 the stipulation between the prosecution and defense as to the
6 authenticity of all of the documents that were seized by the
7 defendants.

8 THE COURT: Okay.

9 MS. M. MILLER: By us from the defendants.

10 THE COURT: All right. Yes, Mr. Martin? Go
11 ahead.

12 MR. MARTIN: Your Honor, I would object to this
13 because it does not relate to Mr. Reed. It's not shown that
14 he even knows this, has ever seen this document before, he's
15 not proper responsible for the document. And she's trying to
16 attack my client's character pursuant to this document. That
17 violates Rule 403 relating to character evidence.

18 MS. M. MILLER: Absolutely not, Your Honor. As a
19 matter of fact, Mr. Reed testified on Mr. McConwell's question
20 about Mr. Walker's kindness to his clients, to his employees.
21 This is an e-mail communication from Mr. Walker to his
22 employees.

23 THE COURT: We don't have to get into the merits
24 of it, I can read it.

25 MS. M. MILLER: Yes, thank you, Your Honor.

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1 MR. MARTIN: 404, Your Honor, you can attack
2 credibility of a witness by reputation or opinion. Not
3 specific acts or conduct and that's what she's trying to do.

4 MS. M. MILLER: That's absolutely not what I'm
5 trying to do. It's the credibility of Mr. Reed that's at
6 issue because he's the one on the witness stand.

7 THE COURT: All right. You're trying to attack
8 his credibility in terms of his knowledge?

9 MS. M. MILLER: Correct.

10 THE COURT: Of the --

11 MS. M. MILLER: Correct.

12 THE COURT: Of the defendant.

13 MS. M. MILLER: Absolutely correct.

14 MR. MARTIN: Which I object to this manner and
15 mode because it's a specific attack on their part of
16 Mr. Walker, not Mr. Reed, Your Honor.

17 THE COURT: But her purpose, though, you've heard
18 her purpose is, even though that may be a fallout that her
19 intention or her motivation or proffer is as to attacking the
20 credibility of this witness's knowledge of who Mr. Walker is.

21 MR. MARTIN: I heard that, Your Honor, I don't
22 know even if he -- may I voir dire the witness?

23 THE COURT: You may voir dire the witness in aid
24 of an objection. You may. And you want to pull that mic a
25 little closer to you. Thank you, Mr. Martin, go ahead.

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1 VOIR DIRE

2 BY MR. MARTIN:

3 Q. Mr. Reed, have you ever seen --

4 THE COURT: Wait, can you make this a little
5 bigger for me? Counsels?

6 MS. M. MILLER: Yes.

7 THE COURT: For me and Mr. Reed. I cannot see
8 this in like this .0003 font. Go ahead. I can't see.

9 BY MR. MARTIN: (CONTINUING)

10 Q. Mr. Reed, have you seen this document before?

11 A. I don't remember seeing it. I'm sorry. I just don't
12 remember.

13 MR. MARTIN: He's not the person to sponsor it,
14 Your Honor. He's not seen it before.

15 MS. M. MILLER: It doesn't matter, that's not the
16 point. The point is Mr. Reed testified --

17 MR. MARTIN: No, no, no.

18 THE COURT: Hold on. Hold on. Let me just hear
19 from Mr. Martin, go ahead.

20 MR. MARTIN: Your Honor, you can't impeach
21 somebody's credibility about a document they've never seen
22 before. That's basic hornbook law.

23 MS. M. MILLER: It's their knowledge, that's
24 basic applicable law. He said Mr. Walker was kind to his
25 employees. If he is unaware of this statement to the

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1 employees, if this is something he's unaware of, it's still
2 relevant to show that Mr. Walker is not kind to his employees.

3 THE COURT: Okay.

4 MR. MARTIN: Your Honor, she's getting way out of
5 line.

6 THE COURT: Let's not get into the merits.

7 MS. M. MILLER: Yes, Your Honor.

8 THE COURT: Substance.

9 MR. MARTIN: It would --

10 THE COURT: So the Court will sustain the
11 objection. He has no knowledge of this document. No
12 awareness.

13 BY MS. M. MILLER: (CONTINUING)

14 Q. Let's not talk about the document then, Mr. Reed.
15 Mr. Reed, do you recall Mr. Walker saying to his pilots, "If
16 you can't fly or can't fix the helicopters --

17 MR. MARTIN: Your Honor, I object, she's doing
18 indirectly what she can't do directly. We've already gone
19 through.

20 MS. M. MILLER: Absolutely not.

21 THE COURT: Hold on. The Court will sustain the
22 objection because he says -- first of all, he never -- doesn't
23 know this document.

24 MS. M. MILLER: No, I'm not talking about the
25 document anymore.

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1 THE COURT: Yeah, I know, but you're talking
2 about the substance of the document. The Court will sustain
3 the objection.

4 BY MS. M. MILLER: (CONTINUING)

5 Q. All right. Have you heard Mr. Walker talk to his
6 pilots?

7 A. No.

8 Q. Have you ever heard Mr. Walker talked to his
9 mechanics?

10 A. No.

11 Q. So you have zero knowledge about the way in which
12 Mr. Walker treated his pilots or mechanics; is that correct?

13 A. That's correct.

14 Q. Okay. So when you say that Mr. Walker is kind to his
15 employees, what is your knowledge based on?

16 A. I just meant that it was the shop employees.

17 Q. The people located in Guam?

18 A. Yes.

19 Q. Including yourself?

20 A. Yes.

21 Q. He's even paying your attorney's fees, isn't he, sir?

22 A. Yes.

23 Q. Okay. So let's now look at the next issue, which is
24 Mr. McConwell asked you if there were ever any issues with the
25 Honolulu Flight Safety District Office that Hansen Helicopters

1 dealt with. Do you remember that?

2 A. Yes.

3 Q. The person you dealt with there was a safety
4 inspector named Timothy Cislo; correct?

5 A. That I dealt with? I never deal with him.

6 Q. Excuse me, sir?

7 A. I never did deal with Timothy Cislo.

8 Q. So then how can you tell the jury that there was
9 never any issue with the Honolulu FSDO if you never dealt with
10 anyone there?

11 A. I just never dealt with anyone.

12 Q. Did you know that the inspector pled guilty to
13 accepting a bribe from Mr. Walker?

14 MR. MARTIN: Your Honor, he's already testified
15 he doesn't deal with Mr. Cislo. And unless she can prove --

16 MS. M. MILLER: I'm going to move to strike his
17 testimony that he has knowledge that there was never any issue
18 with the Flight Safety Office. It can't be both ways.

19 THE COURT: Let me just do one thing at a time.
20 Your objection is?

21 MR. MARTIN: My objection is that she's asking
22 him a question about a person he's already said he never
23 talked to.

24 THE COURT: Objection sustained to that. Now
25 she's moving to strike prior testimony.

1 MS. M. MILLER: Yes.

2 THE COURT: About? Specifically?

3 MS. M. MILLER: Mr. McConwell asked this witness
4 if he had knowledge of any issues or problems with the
5 Honolulu FSDO and the witness says, no, I don't -- there were
6 no problems with the Honolulu FSDO, when Counsel knows that
7 that inspector accepted a bribe and already pled guilty to
8 this court.

9 MR. MARTIN: Your Honor, we got it. If she can't
10 control herself when she makes these statements with no
11 backing, no factual --

12 MS. M. MILLER: No factual?

13 THE COURT: Wait, one per- -- wait, wait,
14 Counsels. Counsels, one person at a time. I can only hear
15 one person at a time. And my court reporter cannot take you
16 all down.

17 MS. M. MILLER: Sorry, Veronica.

18 THE COURT: All right. The Court, on the issue
19 of -- let's put it this way, on the issue of motion to strike
20 his prior testimony, the Court will overrule that objection.
21 I mean, if he testifies one way, he testifies the other way,
22 it's up to the jury to decide credibility. So the Court will
23 overrule your objection and not allow it.

24 Okay, next question?

25 MS. M. MILLER: Now I'll ask the Court to take

1 judicial notice of Government's Exhibit 930, which is the plea
2 agreement that Mr. Cislo --

3 MR. MARTIN: Which, Your Honor, I object.

4 THE COURT: All right. All right.

5 MS. M. MILLER: Excuse me?

6 THE COURT: The problem is, the witness says he
7 doesn't know anything about Cislo.

8 MS. M. MILLER: Absolutely. Right. But that is
9 not the point. This is the point: Mr. Martin had the
10 audacity to stand up and say that I was making a
11 representation unsupported in the record. And Your Honor --

12 THE COURT: All right. All right. Hold on.
13 Hold on, Counsel. Okay, on the issue of judicial notice
14 regarding that, we will get to that later.

15 MS. M. MILLER: Thank you, Your Honor.

16 THE COURT: How is that? And we don't need to
17 deal with this now. Next question. Go ahead and proceed.
18 And let's not have any personal attacks against each other,
19 Counsels. Let's just get right to the specific evidentiary
20 objection. Next question.

21 MS. M. MILLER: Absolutely. Yes, Your Honor.

22 BY MS. M. MILLER: (CONTINUING)

23 Q. Mr. Reed, when I asked you questions when you were
24 first the witness five weeks ago?

25 THE COURT: Carmen, fix up this mic, this screen.

1 Get the defendant, the witness on. Go ahead.

2 BY MS. M. MILLER: (CONTINUING)

3 Q. When I asked you questions five weeks ago, you
4 answered my questions in a certain way; do you remember that?

5 A. Yes.

6 Q. And then yesterday and today, when you were asked
7 questions, you answered them in a completely opposite way; do
8 you recall that?

9 A. No, not really.

10 MR. PEREZ: Objection.

11 BY MS. M. MILLER: (CONTINUING)

12 Q. You don't? You don't recall Mr. McConwell asking
13 you, Mr. Reed, when you told Ms. Miller that the parts were
14 counterfeit, you really didn't know whether they were
15 counterfeit or not, do you remember that?

16 A. Yes.

17 Q. So which is it? Do you know or do you not know
18 whether the parts, that were purchased by Hansen Helicopters,
19 were counterfeit?

20 A. Well, what you call them, I mean I know we had them
21 made by Liskei[sic]...so, but I don't know if they're called
22 *counterfeit* or what.

23 Q. Okay. So, do you have difficulty with your memory,
24 sir?

25 A. Sometime, yes.

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1 Q. Have you had more difficulty with your memory in
2 recent times than before?

3 A. In recent years, yes.

4 Q. Would you say that your memory, back in 2016, was
5 better than your memory today?

6 A. Probably.

7 Q. Did you have a chance to review the statements that
8 you gave to the FBI?

9 MR. MCCONWELL: Your Honor, I object. This is
10 beyond the scope of the cross-examination.

11 THE COURT: Overruled. Overruled. Go ahead.
12 BY MS. M. MILLER: (CONTINUING)

13 Q. Did you have a chance to review the statements that
14 you gave to the FBI?

15 A. Yes.

16 Q. And did you review them with your attorney?

17 A. Yes.

18 Q. And your attorney sent a letter to the U.S.
19 Attorney's office saying that all of those statements were
20 true and correct?

21 A. Yes.

22 Q. Do you recall that?

23 A. That's correct.

24 Q. Do you, sir, adopt those statements as your own?

25 MR. MARTIN: Your Honor, I object. That's not

1 what Mr. Perez's letter said and it's a mischaracterization.

2 MS. M. MILLER: No, it's not. I'm asking this
3 witness if he adopts the statement as his own.

4 THE COURT: All right. But the objection is as
5 to the letter. That's the objection.

6 MS. M. MILLER: We have the letter in evidence.

7 THE COURT: Okay. The letter has already been
8 admitted in evidence? Wait, wait, the letter has been
9 admitted into evidence?

10 MS. M. MILLER: Let me grab the letter, Your
11 Honor.

12 THE COURT: Just confirm that.

13 MS. M. MILLER: Yes, Your Honor.

14 THE COURT: If the letter is in evidence, then
15 the letter will speak for itself.

16 MS. M. MILLER: The letter --

17 THE COURT: Let's move on to the next -- the
18 letter is in evidence. I'll let the jury determine what is in
19 the letter.

20 BY MS. M. MILLER: (CONTINUING)

21 Q. Mr. Reed, when you read --

22 THE COURT: Proceed.

23 MS. M. MILLER: Thank you, Your Honor.

24 BY MS. M. MILLER: (CONTINUING)

25 Q. When you read and reviewed those statements you gave

1 to the FBI, were those statements true and correct?

2 A. Yes.

3 Q. And do you adopt those statements, sir, as your own?

4 MR. MARTIN: This is an improper question.

5 THE COURT: Okay. I'm sorry, what's the
6 objection?

7 MR. MARTIN: I object to -- he can't adopt those
8 statements as his own. It's either true or correct or not,
9 but adoption of them is an improper question.

10 THE COURT: Okay. Do you mean, does he adopt the
11 statements that he made?

12 MS. M. MILLER: Yes.

13 THE COURT: Specifically.

14 MS. M. MILLER: Absolutely, Your Honor.

15 THE COURT: What the FBI said were his words?

16 MS. M. MILLER: Yes.

17 THE COURT: So he could adopt that?

18 MS. M. MILLER: Yes.

19 THE COURT: But you're saying he can't adopt the
20 whole report? Is that what your objection is?

21 MR. MARTIN: Yes, Your Honor.

22 THE COURT: All right. So just, why don't you
23 clarify that, Ms. Miller. Rephrase the question.

24 BY MS. M. MILLER: (CONTINUING)

25 Q. Do you adopt the statements, that the FBI said in the

1 report that you made, as your own statements?

2 A. Yes.

3 Q. And is that because in 2016, your memory was better
4 than it is today?

5 A. Yes.

6 MR. MARTIN: Objection; calls for speculation,
7 Your Honor.

8 THE COURT: Overruled.

9 BY MS. M. MILLER: (CONTINUING)

10 Q. Can you please answer that, sir?

11 A. Yes.

12 MS. M. MILLER: Your Honor, at this time, the
13 government would move into evidence the following exhibits,
14 which have already been identified by the witness, and Counsel
15 for the defense has already authenticated as what they purport
16 to be, and those are Exhibits 833, 1822, 1818 and 1817.

17 THE COURT: Are these the 302s?

18 MS. M. MILLER: They are.

19 MR. MARTIN: Yes, Your Honor.

20 THE COURT: Objections?

21 MR. MARTIN: Hearsay. And I would like to voir
22 dire the witness if the Court --

23 THE COURT: The Court -- I will consider the
24 objection and the request. But go ahead, you want to voir
25 dire the witness in aid of your objection?

1 MR. MARTIN: Because there are multiple
2 statements in there, that I believe the witness will say he
3 will not adopt, Your Honor. And I think I'm entitled to voir
4 dire that or I will cross-examine him over it.

5 (Pause.)

6 THE COURT: All right, well, he just -- voir dire
7 the witness in aid of the objection, go ahead. Go ahead.

8
9 VOIR DIRE

10 BY MR. MARTIN:

11 Q. Mr. Reed, have you -- when's the last time you looked
12 at all these statements, sir?

13 A. Say again?

14 Q. When is the last time you looked at all of these
15 statements, sir?

16 A. Just whenever they were presented to me.

17 Q. Can you give me a date? Because I don't know when
18 they were presented to you because I was not in the meetings
19 with you and the government.

20 A. I don't remember the date.

21 Q. Was it within the last month?

22 THE COURT: All right. Let's focus. Is it on
23 302 -- is it 833, let's get to one at a time.

24 MR. MARTIN: I just want to know when he looked
25 at them last, Your Honor.

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1 THE COURT: Oh, I'm sorry.

2 MR. MARTIN: There is five of 'em, I believe.

3 THE COURT: She focused on three exhibits.

4 MS. M. MILLER: Four.

5 THE COURT: Well, I have 833, 1822 and 1818, is
6 there another one?

7 MS. M. MILLER: And 1817.

8 THE COURT: Oh, 1817. So there is four.

9 MS. M. MILLER: Yes.

10 THE COURT: All right. Go ahead. Okay.

11 Question is? I'm sorry, go back to the question is, what was
12 the question again, Mr. Martin?

13 BY MR. MARTIN: (CONTINUING)

14 Q. When was the last time you looked at 833? Do you
15 have the statements in front of you, sir? I'm sorry.

16 A. No, I do not.

17 Q. Would you like to see the statements?

18 MS. M. MILLER: Your Honor, this is -- this is
19 inappropriate. Under Rule 611, if a witness says that he
20 adopts a statement, this particular witness says that his
21 memory was better back then, his attorney who represented him
22 made an assertion to the government and to the Court that
23 Mr. Reed adopted those statements.

24 THE COURT: Okay. The Court has that, the Court
25 --

1 MS. M. MILLER: Yes.

2 THE COURT: The thing is, he's asked me to voir
3 dire the witness in aid of an objection to ascertain whether
4 the witness is truly adopting all the statements he made as to
5 each of these FBI 302 reports.

6 MS. M. MILLER: And if he --

7 THE COURT: Is that correct.

8 MR. MARTIN: Rule 611 deals with the mode and
9 order of interrogating witnesses. It has nothing to do with
10 adoption of statements. If you would like to read the rule?

11 MS. M. MILLER: No, I don't need to read the
12 rules.

13 THE COURT: Counsel, calm down. I'm going to
14 allow him to voir the witness.

15 MS. M. MILLER: Yes.

16 THE COURT: He's already indicated yes.

17 MS. M. MILLER: Yes.

18 THE COURT: Let him voir dire the witness. If
19 the witness says otherwise, then we may have a problem with
20 the admission.

21 MS. M. MILLER: Yes.

22 THE COURT: If not, we may not have a problem
23 with the admission.

24 MS. M. MILLER: Right.

25 THE COURT: All right. Proceed.

1 BY MR. MARTIN: (CONTINUING)

2 Q. Mr. Reed, you did not know that Hansen ever bought
3 wrecked aircraft and never saw wrecked aircraft at the Hansen
4 facility; isn't that correct?

5 A. Can you speak louder?

6 Q. I'm sorry. Yes, sir, I can.

7 MS. M. MILLER: Which document is Mr. Martin
8 reading from, Your Honor?

9 THE COURT: That would be helpful, Mr. Martin.
10 Exhibit?

11 BY MR. MARTIN: (CONTINUING)

12 Q. Well, I've got the FBI number one, let me -- it's the
13 one dated 11/13/16.

14 MR. PEREZ: May I confer with my client?

15 THE COURT: All right. Okay, go ahead. Yes.

16 MR. PEREZ: Can he and I go outside, Your Honor?

17 THE COURT: You want to take a recess? Oh, you
18 want to talk, yeah, you can go out there.

19 (Mr. Perez and witness stepped out.)

20 THE COURT: While he's out there, he'll find the
21 exhibit number and give it to you. You guys can all stretch,
22 stand up if you want, relax. I'm going to stand up.

23 MR. MARTIN: The number is 1822, Your Honor, I
24 apologize.

25 THE COURT: 1822.

1 MR. PEREZ: Your Honor, are we on the record?

2 THE COURT: Yes, we are. We are. We're on
3 record, yes, Mr. -- yes, Mr. Peter Perez?

4 MR. PEREZ: So if Mr. Reed is going to be
5 questioned regarding specific reports, I ask that the report
6 be presented to him so he can answer accordingly.

7 THE COURT: Sure. I think that's fair.

8 MS. M. MILLER: Yes, I agree, Your Honor. And
9 that's why I cited Rule 611 because it talks about the mode
10 and order of the presentation. And it also talks, in 611,
11 about the Court ensuring protection of the witness "from
12 harassment or undue embarrassment." This witness obviously is
13 having difficulty with his memory and he said --

14 MR. MARTIN: Your Honor, I object to her
15 characterizing what happens to the witness. It's up to the
16 jury to decide now.

17 THE COURT: Yeah, let's not comment on the
18 evidence. Let's not comment on the witness. Let's give him
19 the exhibits so that he can review it. You have a hardcopy?
20 You want a hardcopy or you want electronic? What is your
21 pleasure? Is it easier for you to look at the hardcopy?

22 THE WITNESS: Yes.

23 THE COURT: Okay. Let's get him a hardcopy and
24 -- so we have it, you know, over here. We'll find it for you.
25 Okay, are you going to look at every 302?

1 MR. MARTIN: I very well may, Your Honor.
2 Depending.

3 THE COURT: Depending on what he says. Okay.
4 1822. Let's go to 1822 because that's where you are now.

5 MR. MARTIN: Yes, Your Honor. All right. Let's
6 go to 1822 and we'll pass that over to Mr. Reed. And then you
7 need glasses? You need reading glasses?

8 THE WITNESS: No, I'm okay.

9 THE COURT: All right. There we go. 1822.

10 MS. MCCONWELL: Is it all right if I approach?

11 THE COURT: Yes, you may. Thank you, Ms.
12 McConwell. Okay, Exhibit 1822. I'm sorry, yeah, that's
13 right, Exhibit 1822, which has not been admitted into
14 evidence. All right, do you have a specific page?

15 MR. MARTIN: I'm on page 1.

16 THE COURT: Page one.

17 MS. MCCONWELL: And, Your Honor, I don't show
18 that Mr. Perez's letter been admitted into evidence and I
19 don't know the exhibit number.

20 THE COURT: Okay. Exhibit number on Perez's
21 letter?

22 MS. M. MILLER: It's part of the record, Your
23 Honor. It's attached to an ECF filing.

24 MS. MCCONWELL: That's different, okay. Thank
25 you.

1 THE COURT: All right.

2 MR. MARTIN: It's admitted or not admitted?

3 THE COURT: Well, the question is, was it
4 admitted. I thought the answer was "yes."

5 MS. M. MILLER: Part of an ECF filing, Your
6 Honor. So the Court can take judicial notice of it.

7 MR. MARTIN: Is it admitted or not admitted, is
8 the question.

9 THE COURT: Hold on. Let me verify. Hold on.
10 Yeah, what is it?

11 (Pause.)

12 THE COURT: All right. So I don't know about
13 that. Is it admitted Carm? Do you know?

14 MS. M. MILLER: Like I said, Your Honor, it was
15 part of a filing. So I would just ask the Court to take
16 judicial notice of it. But I don't know that that's relevant
17 to the issue of adoption of the statement. You entered an
18 order and that's where we attached it as part of that order.
19 If you recall, we filed a motion in limine, Your Honor.

20 THE COURT: Right. Okay, the Court --

21 MR. MARTIN: The question was, is it admitted or
22 not; not all this other history. That's the only question I
23 have.

24 THE COURT: The answer is, it's not admitted for
25 trial purposes. But it was attached, I think, as an exhibit.

1 MS. M. MILLER: For a motion in limine.

2 MR. MARTIN: And I didn't ask that question, Your
3 Honor.

4 THE COURT: Okay. All right. So essentially, I
5 will tell you, oh, yeah, it was a filed as a -- I think
6 1406-1, ECF. But let me just say, as Counsels know,
7 Mr. Martin, you know, the Court has made a ruling with regard
8 to 302. If the witness adopts all of the statements, then the
9 Court will admit all the statements. So you're voir diring
10 the witness in aid of an objection, the Court will allow that,
11 he does have Exhibit -- what exhibit is it?

12 MR. MARTIN: 1822.

13 THE COURT: Okay. Do you see that, sir?

14 THE WITNESS: Yes.

15 THE COURT: All right. Go ahead, Mr. Martin.

16 BY MR. MARTIN: (CONTINUING)

17 Q. Mr. Reed, you have seen wrecked aircraft at the
18 Hansen facility, isn't that true, sir?

19 A. That is correct.

20 Q. That's correct?

21 A. Yes.

22 Q. So in your 302 at the bottom of the page, I'm talking
23 about Exhibit 1822, where it says, "Reed did not know Hansen
24 ever bought wrecked aircrafts and never saw wrecked aircraft
25 at the Hansen facility"; that's not correct , is it, sir? You

1 saw them all the time?

2 MS. M. MILLER: Can you tell me where that is on
3 Exhibit 1822, Your Honor?

4 MR. MARTIN: I can tell you. It's at the bottom
5 of the page, the next to the last paragraph, starts at "Reed
6 and Walker."

7 MS. M. MILLER: Got it.

8 BY MR. MARTIN: (CONTINUING)

9 Q. Can you answer my question, Mr. Reed?

10 MR. PEREZ: Your Honor, may I confer with my
11 client?

12 THE COURT: Yes, you may. In fact, you could --
13 yeah, you may.

14 (Pause.)

15 THE COURT: Do we have a Court 1822 up there or
16 does he have it, Carmen, the defendant?

17 (Discussion with clerk.)

18 THE COURT: If you have it, or if not, we'll just
19 pull it up electronically. We usually have a court copy. If
20 not, I'll pull it up the electronic or no.

21 (Pause.)

22 MR. PEREZ: Your Honor, I don't know if it's
23 appropriate for me to make a statement on behalf my client or
24 not?

25 THE COURT: Do you want?

Redirect - Reed

1 MR. MARTIN: I don't want it in front of the
2 jury, Your Honor.

3 THE COURT: Do you want me to let the jurors take
4 a recess, real quick, to discuss this?

5 MR. PEREZ: Okay.

6 THE COURT: Outside the presence of the jury?

7 MR. PEREZ: That's fine, thank you.

8 THE COURT: I think -- okay, ladies and
9 gentlemen, please rise. If you take your lunch, has come
10 early. Like probably not. But I think you guys are going to
11 get a nice lunch. Please keep an open mind, do not form or
12 express any opinion on this case until it's submitted to you.
13 Take a little recess here and I will be back with you all.

14 (Jury out at 10:54 a.m.)

15 THE COURT: Thank you, Mr. Perez, for shutting
16 the door. And we're outside the presence of the jury.
17 Mr. Peter Perez, who represents Mr. Reed and wishes to address
18 the Court. Yes, Mr. Perez? You may proceed, sir.

19 MR. PEREZ: Your Honor, I would just say on
20 behalf of my client, that he stands by the statements that are
21 attributed to him in each of those reports that the government
22 moved to admit.

23 And with respect to his memory, his memories to
24 those statements was better when those statements were
25 attributed -- were made and recorded in those reports than

1 now.

2 THE COURT: All right. And he's already
3 testified to that? He testified to that, but you're just
4 reconfirming that?

5 MR. PEREZ: I'm reconfirming that and we're also
6 reaffirming the information we provided to the government in
7 the proffer letter to them.

8 THE COURT: Okay. And yeah, so Mr. Martin?

9 MR. MARTIN: May I voir dire the witness, Your
10 Honor? He didn't answer my question.

11 THE COURT: Okay. Let's voir dire him outside
12 presence of the jury. Go ahead.

13

14 VOIR DIRE

15 BY MR. MARTIN:

16 Q. Mr. Reed, Exhibit No. 1822, I'm at the bottom of the
17 page, and I'm reading from that. And if I read it
18 incorrectly, I apologize. I hope you'll follow along. The
19 last sentence of the next last paragraph begins, "Reed did not
20 know Hansen ever bought wrecked aircrafts and never saw a
21 wrecked aircraft at the Hansen facility." Do you see that,
22 sir?

23 A. Yes, I do.

24 Q. That is not a correct answer, is it, sir? Wrecked
25 aircraft worked on all the time at the Hansen facility.

Redirect - Reed

1 A. I'll stand by my statements.

2 Q. That's not responsive to my question, sir. My
3 question is, wrecked aircraft worked at, at that facility all
4 the time, isn't it true, sir?

5 MS. M. MILLER: Your Honor, at this point,
6 Mr. Martin is harassing this witness. This witness has
7 already testified he has medical issues, he has testified that
8 his memory is not good, the Court has already seen that
9 demonstrated in both his direct examination and his multiple
10 cross-examinations. And the witness and his attorney, under
11 advisement of his attorney -- attorney, has adopted the
12 statements that he made to the FBI as his own. Under 611,
13 this Court can accept that and this Court can say that's
14 enough harassment of this witness.

15 THE COURT: Well, I don't think actually think
16 he's harassing. I think he's probing, but he's not harassing
17 can him, per se.

18 But Mr. Martin, he has said he's adopted all his
19 statements.

20 MR. MARTIN: He -- I'm asking him about one
21 statement. One statement.

22 THE COURT: Well, he just said, I said stand by
23 it.

24 MR. MARTIN: He said, "I stand by my statements."
25 I want him to tell me that is not correct because I want to

1 know, you can drive by Hansen virtually any day and there are
2 wrecked aircrafts out there. And the government knows that,
3 Your Honor. And it is offensive to me that they're trying to
4 put up a witness, knowing that that is an incorrect statement.
5 And Mr. Reed knows that they work on wrecked aircraft out
6 there all the time and I want him to deny that, so that we can
7 get to this issue.

8 THE COURT: But Mr. Martin, what you want is not
9 probably what you're going to get, because the witness has
10 just testified, and through his attorney, has said that he
11 adopts the statement that he has made to the FBI, including
12 this one.

13 MR. MARTIN: Well, that's not what he said. He
14 said "I stand by my statements," Your Honor. And I'm entitled
15 to go through every one of them then because they're not
16 correct. And if the Court is inclined --

17 THE COURT: No, wait. Let me just say, he says
18 he accepts and adopts all his statements that he made. That's
19 what he just -- did he not testify to that?

20 MR. MARTIN: He non-responsively answered a
21 question, yes, Your Honor. I didn't -- I did not ask him if
22 he adopted all his questions, his statements. I asked him --

23 THE COURT: No, but the prosecution did ask him,
24 Do you adopt all the statements that you made to the FBI in
25 the four separate 302 investigative reports. And I believe he

1 said "yes."

2 He also said, upon questioning, that he also --
3 his memory is better when he made those statements to the FBI
4 in comparison to today, as I recall. Am I -- do you disagree
5 with that?

6 MR. MARTIN: I don't disagree with that at all,
7 Your Honor. I disagree with the fact that the prosecution is
8 allowing this witness to perpetrate a fraud upon this Court
9 knowing there are wrecked aircraft out there and this witness
10 can answer that question. Nobody has answered the one
11 question I asked. I mean, I'm not disagreeing with the
12 recitation you gave.

13 THE COURT: Okay.

14 MR. MARTIN: I'm saying --

15 THE COURT: But the question is...

16 MR. MARTIN: He needs to be asked -- answer the
17 question I asked and I can re-ask it. It needs to be
18 responsive. It's a "yes" or "no" question.

19 THE COURT: What is your question?

20 MR. MARTIN: Any question is --

21 THE COURT: Remember, he has already adopted it
22 so he's already answered that the part of the adopting.

23 MR. MARTIN: I didn't ask if he adopt -- I never
24 asked that question.

25 BY MR. MARTIN:

1 Q. Mr. Reed, where it says, "Reed did not know Hansen
2 ever bought wrecked aircraft and never saw a wrecked aircraft
3 at the Hansen facility," that is an incorrect statement, isn't
4 that true?

5 THE COURT: Okay, Mr. Perez? You want to talk to
6 your lawyer? Yes, of course. Talk to your lawyer.

7 MR. MARTIN: Your Honor --

8 THE COURT: Let him talk.

9 MR. MARTIN: I want -- the answer to my statement
10 is not responsive.

11 THE COURT: Hold on. It was responsive to her
12 question.

13 MS. M. MILLER: Absolutely.

14 MR. MARTIN: It's not responsive to my question.

15 THE COURT: Let him answer. We're going to get
16 the answer. We're going to get the answer. Give us a minute.

17 (Pause.)

18 THE WITNESS: Okay. To my memory, when I made
19 those statements, it was correct.

20 BY MR. MARTIN: (CONTINUING)

21 Q. I'm asking you today? Today, you know those aren't
22 correct; correct?

23 MS. M. MILLER: Your Honor --

24 THE COURT: Wait. Just a minute.

25 MS. M. MILLER: I'm going to object.

1 THE COURT: You object to that last question?

2 MS. M. MILLER: Yes, Your Honor. He's now
3 harassing this witness. This witness has stated, repeatedly,
4 that his memory was much better six years ago when he made
5 these statements than it is today. I know he wants a
6 different answer. He's not going to get a different answer.

7 MR. MARTIN: Well, Your Honor, Ms. Miller has
8 never seen harassment like I can get to. And I --

9 THE COURT: You're --

10 MS. M. MILLER: Threatening me now?

11 MR. MARTIN: She's never seen harassment like I
12 can get.

13 THE COURT: Well, neither of you have ever seen
14 harassment like I can get, too. So calm down everyone.

15 MR. MARTIN: The government has seen, they have
16 seized wrecked helicopters, Your Honor, they have wrecked
17 helicopters that they have he's seized from us. They are
18 perpetrating a fraud in these statements. And it's offensive
19 to me that this witness, who's scared to death because they
20 told me they were revoking his immunity agreement.

21 MS. M. MILLER: We never told him that.

22 MR. MARTIN: You did, too, Marie.

23 MS. M. MILLER: We never -- he admitted that we
24 never told him and his lawyer admitted you never told him.

25 MR. MARTIN: You told me that, Marie.

1 THE COURT: All right, Counsels.

2 MS. M. MILLER: No, I did not.

3 THE COURT: Let me just say something I learned
4 early on when I first became a lawyer, the judge says address
5 the Court, not each other. So let's not talk against each
6 other.

7 MR. MARTIN: Your Honor.

8 THE COURT: You can talk to each other unless I
9 go tell you to go meet and confer. Now, go ahead.

10 MR. MARTIN: Your Honor, the government knows
11 they have wrecked -- they have seized wrecked helicopters, our
12 wrecked helicopters.

13 THE COURT: Okay. But that's. Okay. So...

14 MR. MARTIN: That have been on Hansen's -- that
15 have been repaired on Hansen's. They know that statement is
16 incorrect. They know that this witness --

17 THE COURT: Mr. Martin, though, all we're
18 focusing on is his knowledge, his -- this witness's knowledge
19 about Hansen Helicopters and how -- how -- how -- how if and
20 how, if and when Hansen ever brought wrecked aircrafts onto
21 their facility. That what's we're focusing on. Just on that
22 one limited question. All right.

23 And so he's already said when he made that
24 statement earlier on, with the 302, he stands by that
25 statement. Your latest question is, does he stand by it

1 today.

2 MR. MARTIN: Yes.

3 THE COURT: Okay. Can he answer that, Mr. Perez?

4 MR. PEREZ: He can, I mean, I've already
5 addressed it.

6 THE COURT: Okay. But let me just -- is he going
7 to say the same thing?

8 MR. PEREZ: Yes.

9 THE COURT: Can you answer the question, Mr.?

10 MR. MARTIN: May I re-ask the question?

11 THE COURT: There is another question?

12 MR. MARTIN: No. I said, may I re-ask that
13 question.

14 THE COURT: Go ahead, re-ask the question.

15 BY MR. MARTIN: (CONTINUING)

16 Q. Mr. Reed?

17 THE COURT: He's going to re-ask it. Listen to
18 it carefully, okay? Go ahead.

19 BY MR. MARTIN: (CONTINUING)

20 Q. Mr. Reed, you know today that wrecked helicopters
21 were on Hansen facility, isn't that true, sir?

22 A. (Pause.)

23 THE COURT: You want to talk to your lawyer?

24 MR. PEREZ: I also ask Mr. Martin to specify as
25 to timeframe.

1 THE COURT: Timeframe. Like --

2 BY MR. MARTIN: (CONTINUING)

3 Q. Mr. Reed, you know today that Hansen helicopter has
4 had wrecked aircraft on the facility at any time because your
5 last statement was never. I'm saying ever.

6 MS. M. MILLER: So Your Honor...

7 THE COURT: Okay.

8 MS. M. MILLER: The statement was made in 2016.
9 And Mr. Martin is questioning the witness's knowledge today to
10 impeach something he said in 2016?

11 THE COURT: All right. You want to rephrase the
12 question, Mr. -- okay. Withdraw the question. Do another
13 one. Go.

14 BY MR. MARTIN: (CONTINUING)

15 Q. Mr. Reed, you know today that prior to October 26,
16 2016, Hansen Helicopters had wrecked aircraft at their
17 facility, isn't that true, sir?

18 A. I still stand by my statement in 2016.

19 MR. MARTIN: That's not responsive, Your Honor.
20 It's either "yes" or "no."

21 THE COURT: Well, I think -- I mean, if he's
22 saying I stand by my statement, the answer is, he knows today
23 that what he said in --

24 MR. MARTIN: I don't think that's what it means,
25 Your Honor. I think that means I'm afraid I'm going to have

1 my immunity agreement withdrawn because the government's
2 already told Mr. Martin I'm withdrawing. And I'm saying that
3 to you.

4 THE COURT: I know, but I think you're
5 speculating.

6 MR. MARTIN: It was said to me, Judge, and I
7 represent that to you as an officer the Court that it had been
8 withdrawn.

9 THE COURT: Okay, but we're not going to get into
10 this --

11 MS. M. MILLER: I don't think Mr. Martin has the
12 authority to withdraw the immunity agreement, Your Honor.

13 MR. MARTIN: I don't think this is a funny matter
14 and I don't think it's appropriate you're laughing about it,
15 either, Your Honor.

16 THE COURT: All right. Counsels, look, this
17 whole issue of the immunity agreement, rather than -- I mean
18 we're not -- if we were to get into an evidentiary hearing
19 about it, we'd be spending hours on this. And I would have to
20 assess the credibility of attorneys. I'm going to take your
21 word for it, that you believe, Mr. Martin, what you believe
22 and she believes what she believes. And lawyers in the heat
23 of trial, sometimes believe different things if they're on
24 opposing sides.

25 So bottom line is, the question is, has the

1 immunity agreement been withdrawn. The answer is "no."

2 Officially no, it has never been withdrawn. Period. And I
3 haven't seen anything in writing. And so I believe that it
4 has not been withdrawn.

5 BY MR. MARTIN: (CONTINUING)

6 Q. Okay, Mr. Reed, Hansen Helicopters started in 1987 by
7 buying wrecked helicopters, isn't that true, sir?

8 MS. M. MILLER: Objection, Your Honor, now we're
9 going outside the scope of whether he adopts or doesn't adopt
10 his statement.

11 THE COURT: Yeah, Mr. --

12 MS. M. MILLER: We could be here all day on every
13 single line.

14 MR. MARTIN: So I'm going to the heart of the
15 issue.

16 THE COURT: Here's the deal, Mr. Martin. He's
17 already answered the question. He adopts -- he stands by this
18 statement that as far as he knows, as far as he recalls, and
19 to the best of his ability, which was -- memory which was
20 better 20 --- in what year was that, 2016?

21 MR. MARTIN: Yes, Your Honor.

22 THE COURT: That he did not know Hansen ever
23 bought wrecked aircrafts and never saw a wrecked facility --
24 aircraft at the Hansen facility. He's standing by that.
25 Period.

1 MR. MARTIN: The objection then, Your Honor, is
2 this, I object to the introduction of these statements for
3 these reasons: No. 1, we're not done, yet. Ms. Miller is
4 going to lead him for as long as you're going to let her. And
5 she's already led him all over the place; No. 2, these are
6 blatant hearsay. These are hearsay, he can't adopt them and
7 bring in 302s like this. There has been no issue about that;
8 No. 3, there are things in these 302s that he hasn't even
9 testified about and it's inappropriate for the jury to have a
10 document about things he hasn't even testified about. And so
11 those are several reasons why these should not be admitted.

12 THE COURT: All right. So let me ask you this,
13 so to the extent that what he -- strike that. To the extent
14 as to what he has testified to, why don't you go through it
15 and then you guys can figure out, you have do it on your own
16 and present it to the Court what should be redacted or not
17 redacted. We could do that. But he is saying that whatever
18 statement he made back on those 302s, he adopts them in full.

19 MR. MARTIN: Well, then I better be given the
20 opportunity to cross-examine him in front of the jury again,
21 Your Honor, because --

22 THE COURT: I haven't admitted it. I'm just
23 saying that, you know, you're questioning the admission of the
24 document in full. Now you're saying because there are matters
25 contained in there, that should not be shown to the jury, so

1 just -- so what's in, what's out, show me what should be out,
2 what should be in, if anything. I think that's -- I'm -- I
3 don't have a problem with that.

4 So at this point, the Court will hold off on
5 that. Because I don't know, I've not -- I mean, you guys have
6 scoured through this.

7 MR. MARTIN: I will ask the Court to withhold
8 ruling on this until after the witness is off the stand.

9 THE COURT: I will hold off on it. That's fine.
10 But he may be subject to recall if there is going to be an
11 issue of having to have him come back. But the Court will not
12 issue a ruling until after you've reviewed it. And you say
13 okay, in Exhibit 1822, we find, for example, you find that the
14 Defendant -- it's only one page. And on this -- 1, 2, 3, 4,
15 5, 6, there is six paragraphs on 1822. And if you say on
16 those six paragraphs there are three sentences that we object
17 to, because whatever, then we'll review it.

18 MR. MARTIN: Your Honor, so the record is
19 straight, the only reason to redact, would be if the Court
20 decided to introduce them at some later time.

21 THE COURT: Well, no, if I admit it. I haven't
22 decided to admit it.

23 MR. MARTIN: That's what I'm saying. If you
24 admit, then we'd redact it. We'd go through and redact it.
25 But -- because I'm objecting to the whole report.

1 THE COURT: Right. You're objecting to the whole
2 report now, but your objection has now morphed into, there is
3 things in here that he hasn't testified to, would be very
4 unfair, so tell me what they are and I'll throw them out.

5 MR. MARTIN: Okay. And when the Court rules, we
6 will. Because if I tell you now, she's going to ask him about
7 them.

8 THE COURT: No, no, no. I can't -- I can't make
9 a ruling in -- blindly. I don't know. I mean --

10 MS. M. MILLER: There is nothing that he has not
11 covered that is in these statements. And I challenge
12 Mr. Martin to identify one topic that hasn't been covered
13 exhaustively, either on the direct or the cross or the
14 redirect or the recross or Mr. McConwell's cross. They've all
15 been covered.

16 THE COURT: Do you really need these 302s?

17 MS. M. MILLER: (Nodded head.)

18 THE COURT: Does the prosecution --

19 MS. M. MILLER: I'm sorry?

20 THE COURT: Do you really want these 302s?

21 MS. M. MILLER: I do. And under 8035 --

22 THE COURT: Sometimes -- sometimes you got to be
23 careful what you want.

24 MS. M. MILLER: Absolutely.

25 THE COURT: Be careful what you wish for.

1 MS. M. MILLER: And under 8035, since this
2 witness has said the recorded recollection matter the witness
3 once knew about but now cannot recall well enough to testify
4 fully and accurately was made or adopted by the witness when
5 the matter was fresh in his memory; and --

6 THE COURT: Okay, I've got that. I'm just saying
7 that in terms of any alleged messiness with the substance,
8 let's figure this out. Mr. Martin.

9 MR. MARTIN: Yes, Your Honor.

10 THE COURT: I would suggest, okay, because you
11 indicated that you believe that there might be, I don't know
12 think you're saying that there may be information contained
13 within these 302 reports that are, what, irrelevant,
14 prejudicial, not testified to, whatever, show us what it is.
15 Show me, show the prosecution what it is. And they may agree
16 that such should be redacted.

17 To the extent that the witness has testified to
18 this information, like for example, this one particular piece
19 of information that you're focusing on, on wrecked aircraft
20 and he's already testified to that, then that's going to be
21 in, that'll be left in because he's already -- he's adopted
22 and continues to adopt it.

23 So the Court will defer its ruling until you come
24 back to me. Don't -- you can't put the ball in my court
25 because I don't know what your strategy is.

1 MR. MARTIN: Very well, Your Honor.

2 THE COURT: Okay. Very well. The Court will --
3 and anyway, we already know what his position is and what his
4 attorney's position is. Okay. Let me see what's our status
5 with the -- oh, Lani, is the jury food here, yet?

6 (Discussion with clerk.)

7 THE COURT: All right. Okay, so where were we?
8 Do you have any further voir dire in aid of an objection,
9 Mr. Martin, or you just want to circle back?

10 MR. MARTIN: I was under the impression the Court
11 was reserving ruling until a later time.

12 THE COURT: I am. I am. Because you --

13 MR. MARTIN: So I have no more further --

14 THE COURT: Okay. So we'll call back the jurors.
15 I'm sorry, we'll call back the jurors. We got 15 -- we got
16 30 minutes, the jurors' food is not here, yet. So it appears
17 the prosecution still wishes to move for admission. If they
18 change their mind, just let me know, Ms. Miller and let the
19 defense know; otherwise, you guys can work on what you need to
20 work on. Please rise for the jury.

21 (Jury in at 11:15 a.m.)

22 THE COURT: We just had a legal issue outside
23 your presence and we'll circle back to Mr. Martin if necessary
24 later. And go ahead, Ms. Miller.

25 MS. M. MILLER: Yes, Your Honor.

1 BY MS. M. MILLER: (CONTINUING)

2 Q. Now, I want the witness to look at Exhibit 372.

3 THE COURT: And has that been admitted or not?

4 MS. M. MILLER: That I will offer into evidence,
5 Your Honor. It has been identified previously by Mr. Reed.

6 THE COURT: 372?

7 MS. M. MILLER: 372, Yes, Your Honor.

8 THE COURT: Counsels will want to see if you want
9 to make any -- well...first of all, do Counsels object to the
10 admission of this Exhibit 372?

11 MR. MARTIN: I have to find it, Your Honor.

12 THE COURT: I'm sorry?

13 MS. M. MILLER: It's up on the screen.

14 THE COURT: Okay.

15 MR. MCCONWELL: Can you blow it up, please?

16 THE COURT: Can you make it a little bigger,
17 please? Go ahead.

18 MS. M. MILLER: Is there any objection to moving
19 it into evidence, Your Honor?

20 THE COURT: Any objections, Counsels? You're
21 reviewing.

22 MR. MARTIN: I just didn't realize it, Your
23 Honor, I actually pulled up the wrong exhibit and I apologize.

24 THE COURT: Okay. We'll have -- we'll check with
25 Mr. Martin and Hansen Helicopters.

1 (Pause.)

2 MR. MARTIN: Other than it appears to be beyond
3 the scope of Mr. McConwell's direct examination, Your Honor, I
4 don't think it's appropriate because this is what recross is
5 directed to.

6 THE COURT: Well, okay, so are you saying it's
7 beyond the scope?

8 MR. MARTIN: Yes, Your Honor.

9 THE COURT: That's your objection? And Hansen
10 Helicopter s?

11 MS. MCCONWELL: Yes.

12 THE COURT: Same objection?

13 MS. MCCONWELL: Yes.

14 THE COURT: Counsel?

15 MS. M. MILLER: Yes, Your Honor. So
16 Mr. McConwell specifically asked this witness whether Hansen
17 Helicopters was responsible for hiring pilots on his direct
18 examination, and so I am now asking the witness about a
19 particular pilot contract that is clearly within the scope.

20 THE COURT: All right. Overruled. Go ahead.
21 And then let's see if he can identify it.

22 MS. M. MILLER: Yes.

23 THE COURT: And if you can, if you make the
24 foundation, I'll admit it.

25 MS. M. MILLER: Yes, Your Honor.

1 BY MS. M. MILLER: (CONTINUING)

2 Q. Mr. Reed, do you recognize this document?

3 A. I may have seen it before, but I'm not really
4 familiar with it.

5 Q. So let's look at the last page of the document, sir.
6 Do you recognize your signature on the last page of the
7 document, sir?

8 A. Yes, that is my signature.

9 Q. Is that a true and correct copy of a document that
10 you signed, sir?

11 A. Yes.

12 Q. And as you stated, when Mr. McConwell was questioning
13 you, you were responsible for the contracts between Hansen
14 Helicopters and the pilots; correct?

15 A. Yes.

16 MS. M. MILLER: Your Honor, at this time I would
17 move into evidence --

18 THE COURT: I'm sorry. Hold on. There is an
19 objection? What's the objection?

20 MR. MCCONWELL: Your Honor, my questions related
21 to contract between the boats and Vanuatu companies, not the
22 pilots. I object.

23 THE COURT: I'm sorry, so your question -- I'm
24 sorry, when you did your examination, your examination dealt
25 with contracts between who?

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1 MR. MCCONWELL: The boats and the boat owners and
2 the -- with the individual boats and the Vanuatu corporation.

3 THE COURT: And that's where you're saying that
4 beyond the scope? And this is a contract between --

5 MR. MCCONWELL: Alpha Air and this pilot, I
6 believe.

7 THE COURT: Who is it between? It's between --
8 it's between Hansen?

9 MR. MARTIN: No, Alpha Air.

10 THE COURT: Alpha Air, right, the contractor, but
11 duly-authorized representatives, Reed.

12 MR. MCCONWELL: I did not bring up any pilot
13 contracts at all.

14 THE COURT: So this is a contract between the
15 contractor and the pilot, all right. Yeah.

16 MR. MCCONWELL: And also based on 403, I object
17 to the document.

18 THE COURT: 403? Okay, saying it's more
19 prejudicial, more what is it? On the 403 balancing test, what
20 is it?

21 MR. MCCONWELL: Yes. And a waste of time of the
22 jury's time and the Court's time.

23 THE COURT: All right. And yes, Mr. --
24 Mr. Martin? Go ahead. I got your objection, Mr. McConwell.

25 MR. MARTIN: Your Honor, the parties to this

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1 contract are Alpha Air, Inc. and a pilot. That is not Hansen.
2 That is Alpha Air, Inc. and I object to it.

3 THE COURT: As irrelevant?

4 MR. MARTIN: Yes, Your Honor.

5 THE COURT: Okay.

6 MS. M. MILLER: Yes, Your Honor, may I respond?

7 THE COURT: Yes, go ahead.

8 MS. M. MILLER: Yes. First of all, the question
9 from Mr. McConwell to Mr. Reed was, "Isn't it correct that
10 Hansen Helicopters provides the helicopters, the pilots, the
11 mechanics, the maintenance, and the parts to all of the
12 helicopters?" He also discussed, at length, the Vanuatu
13 companies, which we know through the introduction of
14 Exhibit 829 are wholly-owned by Hansen Helicopters and
15 Mr. Walker. To say that this is irrelevant, is not correct.

16 Additionally, it's not unduly prejudicial because
17 it is a contract between a pilot and this company, which is a
18 subsidiary of Hansen Helicopters, according to the Defendants,
19 and it shows that Mr. Reed was in fact the person signing off
20 on these contracts.

21 And as Your Honor remembers, Jose Eduardo Marinho
22 Goncalves is someone who is going to be presented to the jury
23 in terms of his testimony as a pilot who worked for the
24 Defendants.

25 THE COURT: All right. Counsel?

1 MR. MARTIN: Your Honor, the government's
2 assertion is that this is Hansen. There has been -- they have
3 a chart that they say proves that. That is not -- that is for
4 the jury to decide and I object to it. And based on their own
5 chart, this evidence does not fall under Hansen Helicopters.

6 THE COURT: All right.

7 MS. M. MILLER: Your Honor, this --

8 THE COURT: Hold on. Hold on. Hold on.

9 MR. MARTIN: It falls under one of the 30 Vanuatu
10 international corporations.

11 THE COURT: All right. What the Court could do,
12 though, Counsels, without bringing up all the exhibits at this
13 point, is do a conditional admission assuming that the
14 prosecution's able to present evidence that this corporation
15 is part of Hansen.

16 So I can conditionally admit it or defer
17 admission until such time. So I think what I'll do is defer
18 admission until such time, but it appears should be
19 conditionally admitted. But anyway, we'll defer admission for
20 this -- at this moment. We'll come back to it. So remind me
21 to come back to it.

22 MS. M. MILLER: Yes, Your Honor. We're going do
23 to come back it to with Mr. Reed.

24 THE COURT: Okay. Same witness? This witness.
25 Okay.

1 BY MS. M. MILLER: (CONTINUING)

2 Q. Mr. Reed, who is Alpha Air?

3 A. Who is Alpha Air?

4 Q. Yes, sir.

5 A. It's a company that Hansen owns.

6 Q. And I believe you testified, when Mr. McConwell was
7 asking you all these questions, that Hansen created all of
8 these Vanuatu companies to enter into accounts with the
9 different fishing companies; correct?

10 A. Yes.

11 Q. And despite the fact that Hansen created these
12 companies to enter into the different fishing contracts,
13 didn't you also testify that Hansen Helicopters was
14 responsible for the pilots?

15 MR. MCCONWELL: Your Honor, I object.

16 THE WITNESS: Yes.

17 MR. MCCONWELL: Misstatement of the testimony.
18 The testimony was Jon Walker created these companies in his
19 reorganization, not Hansen Helicopters.

20 MS. M. MILLER: And Jon Walker is 99.99% owner of
21 Hansen Helicopters. A company can't work outside of its
22 employees, directors, officers, etc., Your Honor.

23 THE COURT: Okay. Objection will be overruled.
24 Go ahead.

25 BY MS. M. MILLER: (CONTINUING)

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1 Q. Sir, isn't Jon Walker the 99.99% owner of Hansen
2 Helicopters?

3 A. Yes.

4 Q. And isn't Hansen Helicopters the 99.9%[sic] owner of
5 all of these companies?

6 A. Yes.

7 Q. You testified in response to Mr. McConwell's
8 questions about Mr. Walker that Mr. Walker retired in 2011; is
9 that correct?

10 A. I'm not aware of it.

11 Q. You're not aware of it?

12 A. Yes.

13 Q. So you are not aware of Mr. Walker retiring in 2011;
14 correct?

15 A. I know that, at one time, Rufus Crowe was taking over
16 for him and he was going back to Missouri.

17 Q. Okay. Did Mr. Walker continue to be involved in
18 Hansen Helicopters after 2011?

19 A. I -- I'm not aware of it.

20 Q. You're not aware of?

21 A. Him being in control of it, no.

22 Q. You're not aware of Mr. Walker being in control?

23 A. You mean after 2011?

24 Q. Yes, sir.

25 A. No.

1 Q. Okay, you have no awareness of that?

2 A. No.

3 Q. Okay. So let's look at Exhibit No. 694.

4 THE COURT: Has that been admitted?

5 MS. M. MILLER: No, not yet, Your Honor.

6 THE COURT: 694.

7 MS. M. MILLER: Yes.

8 THE COURT: Counsels, look at 694. See if you
9 object or you stipulate to admission. And if you stipulate,
10 we don't have to go through the foundation. If you do -- if
11 you don't --

12 BY MS. M. MILLER: (CONTINUING)

13 Q. Would you, please, look at that document, sir. Can
14 you see it?

15 A. Yes.

16 Q. What's the date on that document?

17 A. April 8, 2016.

18 Q. Who is that document from?

19 MR. MARTIN: Your Honor, I think it should be
20 established whether or not he's familiar with this document
21 before we go any further.

22 THE COURT: Okay.

23 THE WITNESS: It's from Rufus Crowe.

24 BY MS. M. MILLER: (CONTINUING)

25 Q. And who is it to?

1 MR. MARTIN: Your Honor, I have an objection.

2 THE COURT: All right. Yeah, rather than going
3 into the substance of it, why don't you see if he recognizes
4 the document. Does he know about it?

5 BY MS. M. MILLER: (CONTINUING)

6 Q. Do you recognize this communication, sir?

7 A. No.

8 Q. Okay. Do you recognize the people, who are
9 discussing issues in this communication?

10 MR. MARTIN: Your Honor, I object to further
11 questions about this document.

12 THE COURT: Right, the objection will be
13 sustained.

14 MS. M. MILLER: Okay.

15 THE COURT: He doesn't recognize the exhibit.

16 THE WITNESS: I recognize John and --

17 THE COURT: Mr. Reed.

18 MS. M. MILLER: Hold on.

19 THE COURT: You don't --

20 MS. M. MILLER: We're going to take this document
21 away. And then we're going to move on to another question.

22 BY MS. M. MILLER: (CONTINUING)

23 Q. Do you remember seeing Jon Walker at Hansen
24 Helicopters at any time after 2011?

25 A. Not really. I know he visited sometime, but I don't

1 -- I'm not -- I don't know the dates.

2 Q. You were part of a joint defense agreement with the
3 other defendants in this case; is that correct?

4 MR. MARTIN: Your Honor, I object to this
5 question.

6 THE COURT: The objection will be sustained.

7 BY MS. M. MILLER: (CONTINUING)

8 Q. Okay. Do you recall that Mr. Crowe signed an
9 affidavit in this case?

10 MR. MARTIN: Your Honor, I object on affidavit by
11 Mr. Crowe.

12 THE COURT: Objection will be sustained.

13 BY MS. M. MILLER: (CONTINUING)

14 Q. Isn't it true that the management team at Hansen
15 Helicopters kept Jon Walker involved in all day-to-day
16 operations?

17 MR. MCCONWELL: We object to that. Hansen
18 Helicopters objects to that. There is no foundation for that.

19 THE COURT: All right. Court will sustain the
20 objection. Go ahead.

21 BY MS. M. MILLER: (CONTINUING)

22 Q. Are you part of the management team at Hansen
23 Helicopters?

24 A. Yes.

25 Q. Isn't it true that the management team of Hansen

1 Helicopters kept Jon Walker informed of all of the decisions?

2 MR. MCCONWELL: Once again, I object. There is
3 no foundation for this statement.

4 THE COURT: The Court will overrule that
5 objection. Go ahead.

6 MR. MCCONWELL: May I voir dire the witness, Your
7 Honor?

8 THE COURT: Sure. Go ahead.

9

10 VOIR DIRE

11 BY MR. MCCONWELL:

12 Q. Mr. Reed, even though you were, quote, "on the
13 management team," you weren't involved in management decisions
14 at all, were you, sir?

15 A. No, I was not.

16 Q. So you don't know whether or not they kept him
17 advised of anything or not; correct?

18 A. I do not know.

19 MR. MCCONWELL: Okay. I still object, Your
20 Honor.

21 THE COURT: All right.

22 BY MS. M. MILLER: (CONTINUING)

23 Q. Who was involved in the management decisions?

24 MR. MCCONWELL: Excuse me. Based upon my voir
25 dire, is the Court still overruling?

Redirect - Reed

1 THE COURT: The Court will sustain the objection.

2 MR. MCCONWELL: Thank you, Your Honor.

3 THE COURT: Next question.

4 BY MS. M. MILLER: (CONTINUING)

5 Q. Who was involved in the management decisions?

6 A. Rufus Crowe.

7 Q. Who else?

8 A. And I don't know.

9 Q. So are you saying that Rufus Crowe was making all the
10 decisions on behalf of Hansen Helicopters?

11 A. Um, I think so. I'm not sure.

12 MR. MCCONWELL: Your Honor, I object to lack of a
13 timeframe. I want to know if this is after Mr. Crowe took
14 over management.

15 THE COURT: You want to be more specific?

16 BY MS. M. MILLER: (CONTINUING)

17 Q. Sure. Mr. Crowe making all of the decisions for
18 Hansen Helicopters today, sir?

19 A. Yes.

20 Q. Is Mr. Crowe the president of Hansen Helicopters?

21 A. No.

22 Q. Who's the president of Hansen Helicopters?

23 A. I think Mr. Walker.

24 Q. Okay. Does Mr. Crowe get 99.99% of the profits of
25 Hansen Helicopters?

1 MR. MARTIN: Your Honor, this is way beyond the
2 scope of cross-examination by Mr. McConwell, and I object.

3 MS. M. MILLER: Absolutely not, Your Honor.
4 Mr. McConwell wants this jury to believe that Mr. Walker
5 retired in 2011 and had nothing to do with Hansen Helicopters.

6 MR. MCCONWELL: I object to this.

7 THE COURT: Okay, the objection will be
8 overruled. Go ahead. Proceed.

9 BY MS. M. MILLER: (CONTINUING)

10 Q. Does Mr. Crowe receive 99.9% of the profit of Hansen
11 Helicopters?

12 A. I don't think so.

13 Q. Who does receive 99.9% of the profit of Hansen
14 Helicopters?

15 A. It's still Mr. Walker.

16 Q. Who can sign checks for Hansen Helicopters?

17 A. Mr. Walker, Mr. Crowe and myself.

18 Q. Okay. Where were the contracts signed between the
19 companies, the Vanuatu companies and the boat companies?

20 A. Repeat that.

21 Q. Where were the contracts signed between the Vanuatu
22 companies and the boating companies?

23 A. They were signed in the office, Guam; one signature;
24 then they were DHL-sent to the main companies for their
25 signature.

1 Q. To the fishing companies?

2 A. Yes.

3 Q. Okay. So those contracts were never signed in
4 Vanuatu; correct?

5 A. Not to my knowledge, no.

6 Q. And the contracts between Hansen Helicopters and the
7 pilots, where were they signed?

8 A. In Guam.

9 Q. What about the contracts with the mechanics, where
10 were they signed?

11 A. In Guam.

12 Q. Do you know why the contracts were signed in Guam, if
13 the Vanuatu companies were really the companies that were
14 entering into the agreements with the fishing boats?

15 MR. MARTIN: Your Honor, I object to the
16 question. If they were really -- the question is -- that's
17 not an appropriate question.

18 THE COURT: All right. The objection will be
19 sustained. Rephrase.

20 BY MS. M. MILLER: (CONTINUING)

21 Q. So why were the Vanuatu companies not signing the
22 contracts in Vanuatu?

23 A. I don't know.

24 Q. Were there any employees in Vanuatu?

25 A. I don't think so.

1 Q. You also testified when Mr. McConwell was asking you
2 questions, that Hansen Helicopters provides maintenance on the
3 helicopters; correct?

4 A. Yes.

5 Q. And that's in Guam, right?

6 A. That's in Guam and on the boats.

7 Q. Okay. And you said the major maintenance is
8 performed in Guam; correct?

9 A. The major ones, yes.

10 Q. Okay. Now, that would include the purchase of parts;
11 correct?

12 A. Yes.

13 Q. And Hansen Helicopters was the company actually
14 purchasing the parts; correct?

15 A. That's correct.

16 Q. There are no invoices between a Vanuatu company and a
17 parts manufacturer; correct?

18 A. Correct.

19 Q. Now, you testified under oath that, as far as you
20 know, there were never any problems with the tail rotor pitch
21 change links; is that correct?

22 A. Yes.

23 Q. Let's look at Exhibit No. 278, which has already been
24 admitted into evidence.

25 MR. MCCONWELL: Your Honor, I would like --

1 THE COURT: Yes, 278. Yes?

2 MR. MCCONWELL: I have two -- I want to object to
3 phraseology. She claimed he testified there was never any
4 problems with the tail rotor pitch links.

5 The question was, there was no defect or failure,
6 ever, in the pitch link blanks, that what was asked of the
7 witness.

8 THE COURT: Okay, so I'm sorry, so what was the
9 -- what's the -- what are you -- you just want --

10 MR. MCCONWELL: Well, the problem is, service
11 issues are just minor items that have -- if there is a loose
12 bearing, it has to be replaced and they do that. But the
13 question was, it was asked of him, are there any defects in
14 these manufactured parts or failure of these manufactured
15 parts, particularly the pitch link control link. And the
16 question she asked was not that same question.

17 THE COURT: So she's misstating the evidence? Is
18 that what you're saying?

19 MR. MCCONWELL: Misstating the evidence.

20 MS. M. MILLER: I'm going to -- this was admitted
21 into evidence and I want the jury --

22 THE COURT: I guess nobody is saying your
23 question --

24 MS. M. MILLER: My question is not misstating the
25 evidence, Your Honor. My question is going right to the heart

1 of the evidence, which is that there were problems, defects,
2 inconsistent operations involved with the tail rotor pitch
3 change link.

4 The very document that the defendants introduced
5 into evidence shows, in this particular instance, that the
6 tail rotor pitch change link had to be removed and replaced
7 because of excessive play.

8 THE COURT: Okay. So the Court will -- okay,
9 anything further?

10 MR. MCCONWELL: Well, the issue here, that's not
11 a fracture or a defect in the part itself, that's a bearing
12 looseness issue and a maintenance issue. So there is a major
13 issue here between a failure of a part and a normal
14 maintenance. These parts are checked every day. And if
15 they're loose, they have to be replaced or repaired and this
16 is just part of the maintaining a helicopter that everything
17 on it shakes, all the time.

18 MS. M. MILLER: Your Honor --

19 THE COURT: Hold on, the Court will overrule the
20 objection. You guys can save that for argument, if it's based
21 on the evidence.

22 MS. M. MILLER: Thank you, Your Honor.

23 THE COURT: So credibility, go ahead, next
24 question.

25 BY MS. M. MILLER: (CONTINUING)

1 Q. Mr. Reed, what are the remarks in this particular
2 weekly report from the pilot to you?

3 A. It says, "remove and replaced tail rotor pitch link
4 due to excessive play."

5 Q. What does it mean that there is excessive play?

6 A. It means that maybe the bearings are loose or
7 something that the unit is loose.

8 Q. And you talk --

9 A. So --

10 Q. Go ahead, I'm sorry, sir.

11 A. So they replace it with the ones that's good and
12 solid.

13 MS. M. MILLER: May I approach the witness, Your
14 Honor?

15 THE COURT: You may. And you got -- we got five
16 minutes before the jury has -- and your lunch is here, ladies
17 and gentlemen. So...

18 (Pause.)

19 MS. M. MILLER: I'm approaching the witness, Your
20 Honor, with what has been previously marked as Exhibit 295-6.

21 THE COURT: Oh, it's already been admitted you
22 said?

23 MS. M. MILLER: It's been previously marked,
24 subject to admissibility, Your Honor, hasn't admitted, yet.

25 THE COURT: So 295-6, so it's just one exhibit?

1 MS. M. MILLER: Yes.

2 THE COURT: Counsel, you want to look at 295-6.

3 What is it? Counsels, have you seen that? Counsels?

4 Mr. McConwell.

5 MR. MCCONWELL: No, Your Honor.

6 THE COURT: You want to show it to him?

7 MS. M. MILLER: They have seen it.

8 MR. MCCONWELL: I have not seen it.

9 THE COURT: He hasn't seen it lately. So show it
10 to him. And then Mr. Martin can look at it as well. Mr. Han.

11 MR. MARTIN: Apparently, I've seen it and didn't
12 know it, Your Honor.

13 THE COURT: Huh? You saw it, but you didn't know
14 it? Okay.

15 MR. MARTIN: Well, I was advised I've seen it.

16 MS. M. MILLER: Your Honor, this was marked into
17 evidence six weeks ago. If Counsel doesn't remember, I'm
18 sorry, but it's been sitting on there and it's been marked and
19 we've discussed and argued it. So I don't know.

20 MS. MCCONWELL: Your Honor, I'm going to object.
21 I think that's inappropriate.

22 MR. MCCONWELL: And we've seen this but I think
23 it's a brand new part. She was acting like she's bringing a
24 failed service part as an exhibit. And that's why I said I
25 hadn't seen it before.

1 THE COURT: Okay.

2 MR. MCCONWELL: I'm not even sure it's the same
3 part for this aircraft, frankly, but little different size.

4 MR. MARTIN: Was it in the box?

5 MS. M. MILLER: It was in the box.

6 MR. MARTIN: I have not seen it before, but --

7 THE COURT: Okay. You haven't seen it before.
8 Go ahead.

9 MS. M. MILLER: I would like the Court and the
10 court reporter to note that I retrieved it from the evidence
11 table. And it had been previously marked approximately six
12 weeks ago. And it was shown to Counsel then and we had a
13 whole argument about the paperwork that did or did not
14 accompany it so...

15 THE COURT: That's right.

16 MR. MARTIN: I'd like the Court and the record to
17 note that Mr. McConwell and Ms. Miller did do that. I was not
18 part of that.

19 Here's your exhibit, Ms. Miller.

20 THE COURT: All right. So you know what, on that
21 note, we're going to go take a lunch break. Ladies and
22 gentlemen, have a nice lunch break and we'll come back to this
23 exhibit, take care, do not form or express any opinion on this
24 case until it's submitted to you. And do not speak to anyone
25 on any subject connected with the trial.

1 Mr. Perez, you might --

2 Thank you, go ahead, jurors. Ladies and
3 gentlemen, please rise for the jury.

4 (Jury out at 11:39 a.m.)

5 THE COURT: We will start at 12:30, 11:45 to
6 12:30 is lunch. So see you at 12:30. Very well. Thank you.

7 (Recess taken at 11:40 a.m.)

8 (Back on the record at 12:42 p.m.)

9 THE COURT: We'll call in the jury. All Counsels
10 present, Defendant is present and witness is present. You may
11 be seated. We'll call in the jurors. How much more time do
12 you have, Ms. Marie Miller?

13 MS. M. MILLER: None.

14 THE COURT: Oh, done. You're just going to get
15 up say that's it?

16 MS. M. MILLER: That's it.

17 THE COURT: Okay. Yes?

18 MR. MARTIN: Your Honor.

19 THE COURT: Yup? Hold on. Yes?

20 MR. MARTIN: In light of the fact that
21 Mr. McConwell did a direct, she's now done a cross, they both
22 talked about Mr. Walker, I'm requesting the Court that I be
23 allowed further cross-examination to ensure Mr. Walker's Sixth
24 Amendment right to cross-examination.

25 THE COURT: Okay. So let me look at what

1 happened. Let me get the -- we had a direct exam by the
2 prosecution. Then we had a cross by...

3 MS. M. MILLER: Mr. Martin.

4 THE COURT: Martin. Then we had a cross by
5 McConwell.

6 MR. MARTIN: No, no, the cross, then again by Ms.
7 Miller.

8 THE COURT: I mean, a redirect.

9 MR. MARTIN: Redirect.

10 THE COURT: I'm sorry, with a direct first by the
11 prosecution, cross-examine by Martin, then a redirect by the
12 prosecution?

13 MR. MARTIN: Then cross by me.

14 THE COURT: Okay?

15 MR. MARTIN: Then Mr. McConwell.

16 THE COURT: And then cross-exam -- I mean a
17 recross?

18 MR. MARTIN: No, cross.

19 MS. M. MILLER: Mr. Martin --

20 THE COURT: Sorry. Cross by McConwell. Then you
21 came on?

22 MS. M. MILLER: Now, Mr. Martin did --

23 THE COURT: Wait. Wait. Cross-exam by McConwell
24 and then after McConwell was, oh, wait, the prosecution, so
25 that's a re-redirect by the prosecution. And then now -- then

1 now what?

2 MS. M. MILLER: Mr. Martin did a
3 cross-examination after I finished my direct of Mr. Reed.

4 THE COURT: Right.

5 MS. M. MILLER: Then I did a redirect.

6 THE COURT: Right, I got that.

7 MS. M. MILLER: Then you allowed Mr. Martin to do
8 a recross of Mr. Reed after I did my redirect.

9 THE COURT: Okay.

10 MS. M. MILLER: Then we went to Mr. McConwell.

11 THE COURT: So I allowed a recross on -- with
12 Martin?

13 MS. M. MILLER: Yes, you did.

14 THE COURT: So actually -- okay, that's right.
15 Okay.

16 MS. M. MILLER: Then we went to Mr. McConwell.

17 THE COURT: Right.

18 MS. M. MILLER: Then I redirected after
19 Mr. McConwell. So the only thing that Mr. Martin should be
20 permitted to do, Your Honor, if anything, since he has crossed
21 twice, is to address anything within the scope of my very
22 limited redirect after Mr. McConwell.

23 THE COURT: All right. Let me see. Okay.
24 That's right. I would agree with that. And then you also
25 have -- we'll come back to the other issue later. Right?

Redirect - Reed

1 You're going to look at the 302s?

2 MR. MARTIN: I haven't had a chance.

3 THE COURT: Right. All right. So she's just
4 asking that your scope of your re -- okay, so let's see.

5 MS. M. MILLER: It's now re-recross.

6 THE COURT: (Laughing.) That's right. I
7 normally shouldn't do this, but go ahead, re-recross.

8 MR. MARTIN: Correct.

9 THE COURT: You would agree with that?

10 MR. MARTIN: And it will be a limited and short
11 cross.

12 THE COURT: As long as it's within -- it's just
13 limited to the scope of the cross-examination by McConwell. I
14 would agree with that.

15 MR. MARTIN: Cross-examination of...

16 MS. M. MILLER: By the redirect -- redirect by
17 the government.

18 THE COURT: Right. That's correct.

19 MR. MARTIN: That's correct -- and that's only --
20 I wouldn't do it -- on the mode we went last time, Your Honor,
21 it put me in a situation. I'm assuming we're going to change
22 back to the normal mode where it's --

23 THE COURT: We will.

24 MR. MARTIN: Very well.

25 THE COURT: Right. Let's go, call in the jury.

1 We'll get back to the normal mode.

2 MS. MCCONWELL: Your Honor, may I have one
3 request?

4 THE COURT: Yes.

5 MS. MCCONWELL: We talked about this before March
6 and we did not renew it yesterday or today, but we're trying
7 to -- we're joining each other's objections so that we're not
8 all objecting and stating a bunch of different --

9 THE COURT: So you're just saying, any objections
10 that have been previously made, that you've joined in all
11 those objections?

12 MS. MCCONWELL: Yes. And we'll continue doing
13 that so we try not have everybody talking throughout the whole
14 trial.

15 THE COURT: All right. So noted. Very well.
16 All right. Please rise.

17 (Jury in at 12:46 p.m.)

18 THE COURT: Welcome back, ladies and gentlemen of
19 the jury. Did you guys have a nice lunch?

20 THE JURY: Yes.

21 THE COURT: Good. All right. We're going go to
22 go ahead and proceed.

23 Ms. Marie Miller, any further questions?

24 MS. M. MILLER: No further questions of this
25 witness, Your Honor.

1 THE COURT: Okay. Thank you very much. And
2 Mr. Martin, you may go ahead and do a re-recross based on what
3 we previously indicated.

4 MR. MARTIN: Thank you, Your Honor.

5 THE COURT: Before the jurors came. Yup.

6
7 RE-RECROSS EXAMINATION

8 BY MR. MARTIN:

9 Q. Mr. Reed, you recall on direct examination or
10 redirect examination by Ms. Miller, her asking you about the
11 statements you made to the law enforcement officers, the -- I
12 believe the FBI and other law enforcement agencies, that you
13 talked about, sir?

14 A. Yes.

15 Q. Was that a "yes"?

16 A. Yes.

17 Q. And I believe you told the Judge and the ladies and
18 gentlemen of the jury that you were adopting those; is that
19 correct?

20 A. Yes.

21 Q. And let me ask you, sir; those are the same
22 statements that you -- when you were a defendant in this case,
23 filed a motion for this Court to hear, saying that they were
24 coerced and that they were involuntarily obtained from you;
25 isn't that true, sir?

Re-recross - Reed

1 MR. PEREZ: Hold on. Your Honor, I instruct my
2 client not to answer on the basis of attorney-client privilege
3 and work product.

4 THE COURT: All right. Very well. Based on that
5 then, the witness need not answer. Go ahead, proceed.

6 MR. MARTIN: I don't think this witness has the
7 authority to refuse to answer a question based on work
8 product. Mr. -- we have a right to cross-examine and have his
9 testimony if the government is going to bring him in Court and
10 I object to that. I think he should be required to answer the
11 question.

12 THE COURT: Counsel just indicated that this is
13 an attorney-client privilege information that --

14 MR. MARTIN: Okay.

15 THE COURT: -- prevents him from answering that
16 question.

17 BY MR. MARTIN: (CONTINUING)

18 Q. Okay, Mr. Reed, did you see the motions that your
19 Counsel filed in this case?

20 A. Yes.

21 Q. And one of those motions was to suppress those
22 statements, that you gave, that the government says you
23 adopted; isn't that true, sir?

24 A. Yes.

25 Q. I'm sorry?

1 A. Yes.

2 Q. And the basis, that was acclaimed in those motions,
3 was that they were coerced from you by the FBI; isn't that
4 true, sir?

5 MR. PEREZ: Hold on. I'm instructing my client
6 not to answer on the basis of attorney-client privilege.

7 THE COURT: Right. The Court will grant that the
8 request and witness need not answer that question.

9 BY MR. MARTIN: (CONTINUING)

10 Q. Did you read the motion, sir?

11 A. Yes.

12 Q. And that's what the motion said, that the FBI coerced
13 those statements out of you; isn't that true, sir?

14 MR. PEREZ: Hold on. I instruct my client not to
15 answer on the basis of attorney-client privilege. Also, the
16 document speaks for itself.

17 THE COURT: All right. Very well. The Court
18 will honor that request by Mr. Perez on behalf of his client.
19 His client need not testify.

20 MR. MARTIN: Then, Your Honor, the document
21 speaks for itself, the jury doesn't know what that document
22 says. May I introduce it -- I don't have it with me now, but
23 I could obtain it and make it an exhibit in this case.

24 THE COURT: All right. Objection, Counsel?
25 Prosecution? Any objection?

1 MS. M. MILLER: Yes, Your Honor, the objection is
2 that if Mr. Perez has stated that there is an attorney-client
3 privileged communication that formed the basis of that filing,
4 he's not waiving it, he's instructing his client not to answer
5 any questions about it, then it would be inappropriate to
6 introduce that document into the courtroom or for the jury.
7 It's a collateral matter. It is not relevant to these
8 proceedings today and we already have this witness's testimony
9 that the statements he gave to the FBI were truthful and
10 voluntary.

11 THE COURT: All right. So let me just say, the
12 Court will defer ruling on that issue to a later time. We'll
13 discuss that later.

14 MR. MARTIN: In response, Your Honor, it is a
15 public filing. I don't know how a public filing can be
16 attorney-client privilege.

17 THE COURT: It's not sealed; is that correct?

18 MR. MARTIN: No, it's not sealed.

19 THE COURT: So the question, though, is should
20 the Court take judicial notice and allow the jurors to see it.
21 So I'll defer ruling on that, let me think about that.

22 MR. MARTIN: Okay.

23 BY MR. MARTIN: (CONTINUING)

24 Q. Does the fact that your attorney filed a motion,
25 saying that your statement was coerced by the FBI, cause you

1 any concern about now adopting those statements as correct,
2 sir?

3 MR. PEREZ: I'm instructing my client not to
4 answer that, that question, on the basis of attorney-client
5 privilege.

6 THE COURT: All right. Very well. The Court
7 will honor that request. And Mr. Reed need not answer that
8 question.

9 BY MR. MARTIN: (CONTINUING)

10 Q. Mr. Reed, are you concerned today, as you sit here in
11 this courtroom in front of this jury, that the prosecution,
12 because of your testimony, is going to revoke your immunity
13 once you get off the stand?

14 A. (No response.)

15 Q. Did you understand the question?

16 THE COURT: Hold on, let his client -- attorney
17 speak. Go ahead, Mr. Perez. You can speak to your client.

18 (Pause.)

19 THE WITNESS: The U.S. Attorney has indicated
20 that she's not going to revoke my immunity.

21 BY MR. MARTIN: (CONTINUING)

22 Q. I didn't ask you what the U.S. Attorney said and I
23 can't speak for the U.S. Attorney and you can't either, sir.
24 My question was, are you concerned, based from right now
25 forward, that the U.S. Attorney can revoke your immunity

1 because of your testimony in this courtroom?

2 MR. PEREZ: May I confer with my client?

3 THE COURT: Yes, you may, Mr. Perez. Go ahead.

4 (Pause.)

5 THE WITNESS: The premises of your question is
6 without basis and I cannot respond.

7 BY MR. MARTIN: (CONTINUING)

8 Q. I can't hear you, Mr. Reed. I'm sorry?

9 A. The premises of your question is without basis and I
10 cannot respond.

11 Q. The premise of my question is without basis?

12 A. Yes.

13 Q. Let me repeat it again. Are you concerned? That's
14 the premise. Are you concerned, based upon the testimony
15 you've given in this courtroom, that the United States
16 Attorney's office might revoke their immunity agreement?

17 A. No, because the U.S. Attorney has indicated they're
18 not going to revoke my immunity.

19 Q. Okay. Has the agreement with the United States
20 Attorney, relating to your immunity, affected your memory in
21 this case, sir?

22 THE COURT: You understand the question?

23 THE WITNESS: Yes.

24 THE COURT: And your answer is? Or hold on. Let
25 me let your attorney.

1 THE WITNESS: Can he say it again?

2 THE COURT: Repeat it then. Your attorney wants
3 to speak to you. Go ahead.

4 Mr. Martin, you want to restate the question?

5 MR. MARTIN: (Pause.) I'd like to, Your Honor,
6 but I was thinking about something else and I forgot what I
7 said. I think I know what I said. Could we have it repeated?
8 I apologize.

9 THE COURT: Sure. No, no, that's fine. Veronica
10 can repeat. Veronica.

11 MR. MARTIN: And I'm sorry, Judge. I was
12 thinking of my next question.

13 (Whereupon the reporter read back requested
14 portion.)

15 THE WITNESS: No, it has not.

16 BY MR. MARTIN: (CONTINUING)

17 Q. Okay. Is there a reason why it took you so long to
18 just say that, sir?

19 A. No.

20 Q. Would you agree with me, sir, that you have provided
21 this jury with many, many inconsistent statements during your
22 testimony?

23 (Mr. Perez and witness consulted.)

24 A. I cannot respond to your question because it's vague
25 with the many, many, many.

1 Q. I apologize for my vagueness. Have you testified
2 inconsistently about different subjects during your testimony,
3 sir?

4 A. That's not for me to decide; it's for the jury to
5 determine.

6 Q. I appreciate that. Do you not believe you've
7 testified inconsistently, sir?

8 A. I have attempted to testify truthfully to the best of
9 my ability.

10 Q. And you understand, if the government doesn't think
11 you've done that, they have the absolute authority to revoke
12 your immunity agreement?

13 A. It's been confirmed, repeatedly, that they're not
14 revoking my immunity.

15 Q. You understand that the government has the absolute
16 authority, if they don't think you've testified truthfully, to
17 revoke your immunity agreement, don't you, sir?

18 A. That's a legal issue that I'm not qualified to
19 answer.

20 Q. Have you read the letter between you and the United
21 States Attorney's office relating to your immunity?

22 A. Yes.

23 Q. And have you read the part in there that says they
24 can determine whether or not you have fulfilled, pardon me,
25 the conditions of this agreement and if they disagree, they

1 can revoke your immunity, sir?

2 A. I don't have the document, but the document speaks
3 for itself.

4 Q. That's a very important document, don't you think,
5 sir?

6 A. Yes.

7 Q. And it could impact your life substantially, you
8 agree, sir?

9 A. Yes.

10 Q. And are you telling me, you don't remember what the
11 document says now, sir?

12 A. The document is a technical and legal, and I don't
13 know how to respond.

14 Q. The document is addressed to you and to Mr. Perez;
15 correct, sir?

16 A. I don't have the document, but I believe so, yes.

17 MR. MARTIN: May I approach the witness, Your
18 Honor?

19 THE COURT: You may. All right. What exhibit
20 number is that, sir?

21 MR. MARTIN: Your Honor, this is the agreement.
22 I don't believe it's been introduced into evidence.

23 THE COURT: Has it been marked at all?

24 MR. MARTIN: I don't believe so.

25 THE COURT: You want to mark it? Let's have it

1 marked then. Okay. What is it?

2 MS. MCCONWELL: 119.

3 THE COURT: Okay.

4 MS. MCCONWELL: 119.

5 THE COURT: Ms. McConwell is indicating that's
6 119, Mr. Martin.

7 MR. MARTIN: May I approach, Your Honor?

8 THE COURT: You may, you may. Exhibit 119.

9 BY MR. MARTIN: (CONTINUING)

10 Q. Mr. Reed, I hand you what's been marked -- may I
11 examine for --

12 THE COURT: You may. Just speak loud, though.

13 BY MR. MARTIN: (CONTINUING)

14 Q. I hand you what's been marked for identification
15 purposes as Exhibit 119, sir. Do you see that?

16 A. Yes.

17 Q. Is that a letter addressed to you and your attorney,
18 Mr. Perez?

19 A. It's to Attorney Perez.

20 Q. Okay. And are you the subject matter of that letter?

21 A. United States v. John D. Walker a/k/a Jon Walker,
22 Marvin R. Reed, Kenneth R. Crowe, Phillip T. Kapp, Randall
23 Rogers, Hansen Helicopters, Spares Incorporated, the District
24 Court, Criminal Case 18-00010.

25 Q. Is that your immunity agreement, sir?

1 A. Yes.

2 Q. And does it contain the terms of your agreement with
3 the United States?

4 A. Yes.

5 Q. I draw your attention to the, if I may, Mr. Reed, to
6 the second page and if you'll follow along with me. "In the
7 event your client has knowingly provided false or misleading
8 statement at trial, then this agreement shall be null and void
9 and any information provided by your client including
10 statements and information provided pursuant to this agreement
11 may be used against him without limitation and for any purpose
12 in a perjury prosecution." Did I read that correctly, sir?

13 A. Yes.

14 Q. Okay. And is that the terms -- one of the terms of
15 this agreement, sir?

16 A. Yes.

17 Q. Do you understand what that means, Mr. Reed?

18 A. Yes.

19 MR. MARTIN: I don't have any further questions,
20 Your Honor.

21 THE COURT: All right. No further questions.
22 All right. Yup.

23 MS. M. MILLER: No further questions, Your Honor.

24 THE COURT: We're going to go ahead and have the
25 witness excused then. We don't need him further; is that

1 correct, Counsel?

2 MS. M. MILLER: That is correct, Your Honor.

3 THE COURT: Unless there is an issue with regard
4 to the 302s.

5 MS. M. MILLER: Right.

6 THE COURT: Potentially. Correct? Mr. Martin?

7 MR. MARTIN: That's correct, Your Honor.

8 THE COURT: And Mr. Perez, could you have him on
9 stand by on that one issue, that I'm deferring?

10 MR. PEREZ: Yes, Your Honor, but he's otherwise
11 excused?

12 THE COURT: He's otherwise excused. Thank you,
13 sir. Mr. Reed, take care. Be careful when you walk down.
14 All right, thank you, Mr. Perez for being here all these days.
15 Take care.

16 (End of excerpt.)

17 * * *

CERTIFICATE OF OFFICIAL REPORTER

CITY OF HAGATNA)
) ss.
TERRITORY OF GUAM)

I, Veronica F. Flores, Official Court Reporter for the District Court of Guam, do hereby certify the foregoing pages, 1 to 280, to be a true and correct transcript of the proceedings held in the above-entitled matter to the best of my ability.

Dated this 31st day of March 2023.

/s/Veronica F. Flores
Veronica F. Flores